

Malmstrom Air Force Base Wind Farm Economic Analysis

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April 2013



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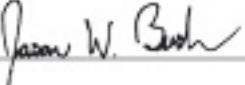
Idaho National Laboratory

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Analysis**

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EXECUTIVE SUMMARY

The Air Force's Civil Engineer Support Agency and Global Strike Command (AFCESA and AFGSC) retained Idaho National Laboratory (INL) to perform an Economic Feasibility Study for a potential Malmstrom Air Force Base (MAFB) third party developed wind energy project in Great Falls, MT. The work scope on this project was started in October 2012, with the site visit, base data collection, and field siting taking place. The purpose of this economic feasibility study is to determine the economic and technical feasibility of available options for integrating wind power at the MAFB. The economic feasibility study uses load data provided by MAFB and both the collected and modeled wind data, for determining the feasibility of incorporating wind turbines on site. This economic assessment has examined the representative costs and benefits for MAFB as a 3rd party owned and operated Power Purchase Agreement (PPA) developed project. The assessment has also studied the impact of metering and applicable electric rate charges, regulatory issues and tariff impacts with serving utility. The business case for a PPA arrangement has been analyzed with an example pro forma analysis produced.

A few years prior to this study, MAFB retained INL to make an initial assessment (available on request) of the wind resource and potential for wind energy generation at the Base in Great Falls, Montana. The work scope on that project was started in late 2009, the met tower was installed in November 2009, first year of data collection completed in January 2011, and the final report was delivered in June 2011. The purpose of that preliminary feasibility study was to determine if the site conditions, including wind speeds, projected energy production, and daily/yearly diurnals and distributions, had potential to support the installation of up to 8 MW of modern wind turbine generation.

Since both this study and the prior study have indicated that the wind resource has potential to be over 32% net capacity factor (close to 38% gross, but will vary dependent on the turbine model and hub height studied) and over 8.5% rate of return on the investment (PTC model), a commercial PPA wind farm project on Malmstrom AFB appears feasible. If the Air Force decides to move forward with further development of this wind project, INL has provided throughout this report additional recommendations to consider during the next steps.

The selected site for this study, and the prior study, is located in the southern area of the Malmstrom AFB. The location is located just north of US Highway 89, in north western Montana. The previous study's tilt-up, 34 meter NRG meteorological tower with wind sensors and data logger is still in service near the potential wind turbine site. The met tower was procured in early 2009 and then installed in June 2009, and the data was subsequently collected and correlated to long-term data from the Great Falls International Airport (approximately 10 miles away).

Project sizes were chosen for the proforma models based on land availability and missions considerations, the Base's average load and load profiles (about 6 MW average load), and variations to show some small economies of scale. Also considered were types and sizes of large turbines available on the market, suitability of the site to low wind model turbines, wake losses analyses, and other design factors. Project nameplate sizes of 7.2MW, 10.8MW, and 14.4 MW were chosen for the models, using 1.8 MW wind turbines. Up to 8 coordinates have been identified so far for wind turbine placements. Wind turbine models between 1.5 MW and 3.0 MW each could be considered for the project, based on site suitability and wake loss calculations, rotor sizes and spacing, and installed cost compared with estimated energy produced (i.e. boils down to cost per kWh).

Below is a short summary of the proforma inputs:

1. Estimated project costs: 8 turbine project, \$2.60/Watt installed; 6 turbine project, \$2.73/Watt; 4 turbine project, \$2.92/Watt.
2. Gross to net loss numbers of 15% total used on energy production estimates (see appendix B).
3. CPI inflation rate of 2.5% used on all project expenses and energy sales pricing.

4. PTC model used for initial proforma models as baseline. Models showing use of an ITC have also been included, and if an ITC is available in future, project economics would have potential to be significantly improved as shown in the proforma results.
5. Montana production tax rate of \$0.00015/kWh is applied.
6. Property taxes of \$0.007/kWh are applied (1st year, then reducing over time with depreciation) in the proforma models; Montana tax issues (property, depreciation, credits) are relatively complicated compared to some other states, so continued attention to these details is necessary to ensure that they are properly accounted for in the project development moving forward.
7. Year 1 starting offset price used for energy utilized on-Base is \$0.06157/kWh. REC sales are estimated at \$6/MWh with CPI escalation.
8. Year 1 starting offset price of \$0.04618/kWh is used for energy exported from Base. This price and potential export sales agreements will require significant investigation by a selected project developer. Northwestern Energy would likely be the least complex offtaker of this energy, however their (or other utilities') interest in the energy will be determined by their planning and resource needs. MT is partially deregulated, so this opens up some potential for more creative options for selling excess energy. Also, export to other PURPA markets or customers (i.e. Idaho Power or others) could be possible, or future Energy Imbalance Market possibilities in the Northwest could lead to other options.
9. Land lease issues need to be researched further. Extra costs are included in the proformas for Management/Admin/Forecasting and repair reserve accounts, so if forecasting is not required for export sales or extra repair reserve accounts can be reduced, these assumed costs partially fill in for potential land lease costs not currently assumed in the model so far. Also, higher tax rates in Montana may require concessions on land lease rates; see report body below for additional details.
10. Some state tax credits/depreciation available and assumed in the proforma models. Details are available through the MT state tax commission and in the proforma spreadsheets and report body below.

Proforma results:

- a. For the 14.4 MW, 8 turbine project, the leveraged rates of return are 8.6% for PTC model, 16.3% for ITC taken as cash grant, and 16.6% for ITC used as tax credit. The unleveraged rates of return are 4.7%, 5.0% and 5.7% respectively. See tables 1 and 3 below, and appendix E for additional details.
- b. For the 7.2 MW, 4 turbine project, the leveraged rates of return are 6.9% for PTC model, 15.0% for ITC taken as cash grant, and 15.7% for ITC used as tax credit. Even though the lower priced export energy sales are minimal on this project size, the lower economy of scale on the installed price per Watt shows a significant effect on the rates of return. If this project cost could be reduced, the rates of return would improve and move closer to those of the larger project sizes. The 10.8 MW project has rates of return between the 8 and 4 turbine project scenarios. See appendices F and G for additional details.
- c. Over a 30 year project life and PPA contract on the 14.4 MW project, total revenues are \$120,322,837, total expenses are \$68,295,230, and total net operating cash flow is \$52,027,607. See table 2 below, appendix E, and proforma spreadsheets for details.
- d. Property taxes over 30 years on the 14.4 MW project total \$5,525,397. Total loan payments over the 20 year loan on the debt financed amount of \$18,750,000 (other half of project cost is financed with tax equity) are \$32,239,398 at 6% interest.

- e. Federal and State taxes payable, and federal and State tax credits are detailed in table 3 below and in appendices E-G. For the 14.4 MW project, net after tax payments cash flow is \$27,368,915, and total project returns (cash and credit values, PTC model) over 30 years are \$48,442,480.
- f. The models assume a steady level of annual loads on the Base, based on loading and billing information provided by the Base for 2011-2012. Detailed loading, energy production, export, and billing analyses are provided in appendix D and in the proforma spreadsheets.
- g. These financial models are based on P50 probability production estimates, with relatively conservative gross to net reduction factors. Final potential developers and financers may utilize P90 or P95 probability calculations for their financial analyses, to ensure comfortable levels of payback and annual cash flow to cover low wind years and potential long-term wind and operational reduction contingencies.

Opportunities for excess energy and REC sales to other utilities or federal sites/Bases in the region are discussed in section 2 of the report body. This facet of the project development moving forward will likely be critical to the economic viability of the wind project. If rates can be achieved close to the assumptions used, a wind project at Malmstrom AFB should be economically feasible.

CONTENTS

EXECUTIVE SUMMARY	iv
ACRONYMS	ix
1. Introduction	1
1.1 Proforma Results Discussion	3
1.2 Proforma Sensitivity Analyses	8
1.2.1 Regional Tax Structure Comparisons	9
1.3 Additional Data Needs	11
2. Export Energy and REC Considerations	12
3. Project Development Considerations	12
4. Conclusion	14
Appendix A: Wind Data Summaries	16
Appendix B: WASP Model Energy Production Estimates	17
Appendix C: Maps of Proposed Turbine Coordinates	18
Appendix D: Proforma Common Base Info	19
Appendix E: 8 Turbine Wind Project Proforma and Inputs	20
Appendix F: 6 Turbine Wind Project Proforma and Inputs	21
Appendix G: 4 Turbine Wind Project Proforma and Inputs	22

FIGURES

Figure 1: Malmstrom AFB Wind Turbine Layout, NAD27 UTM TopoUSA	2
Figure 2: Malmstrom AFB Wind Turbine Layout, Google Earth	3
Figure 3: Potential Windfarm Layout In Relation to Area Radar Systems	13
Figure 4: FAA Map of the Area Around Potential Windfarm	14

TABLES

Table 1: Major Input Variables and Financial Return Summary for 8 Turbine Project	6
Table 2: 30 Year Annual Cash Flow Statement for 8 Turbine Project	7
Table 3: After Tax Cash and Credits Profitability With PTC, 8 Turbine Project	8
Table 4: Production and Property Tax Calculations for 8 Turbine Project	10

ACRONYMS

AGL:	Above ground level
Availability:	The percentage of time that a wind turbine is available to operate.
ECIP:	Energy Conservation Investment Program
EULA:	End User Lease Agreement
ESPC:	Energy Savings Performance Contract
INL:	Idaho National Laboratory
ITC:	Investment Tax Credit
FAA:	Federal Aviation Administration
Hub height:	The height above ground level to the center of the wind turbine rotor.
kW:	Kilowatt
kWh:	Kilowatt-hour
LCC:	Life cycle cost
m:	Meters
m/s:	Meters per second
Met (tower):	Meteorological tower, with wind data measurement equipment (anemometers).
MW:	Megawatt
NEPA:	National Environmental Policy Act
Net metering:	A method of crediting customers for electricity that they generate on-site to offset their own electricity consumption.
O&M:	Operations and maintenance
PPA:	Power purchase agreement
PTC:	Production Tax Credit
PURPA:	Public Utility Regulatory Policies Act
REC:	Renewable Energy Credits
UESC:	Utility Energy Service Contract
VAR:	Volt-amperes reactive power
Weibull:	A mathematical function used to describe frequency distributions of wind speeds.
Wind shear:	The increase or decrease in wind speed at higher elevations above the ground.

Malmstrom Air Force Base Wind Farm Economic Analysis

1. Introduction

The Air Force's Civil Engineer Support Agency and Global Strike Command (AFCESA and AFGSC) retained Idaho National Laboratory (INL) to perform an Economic Feasibility Study for a potential Malmstrom Air Force Base (MAFB) third party developed wind energy project in Great Falls, MT. The work scope on this project was started in October 2012, with the site visit, base data collection, and field siting taking place. The purpose of this economic feasibility study is to determine the economic and technical feasibility of available options for integrating wind power at the MAFB. The economic feasibility study uses load data provided by MAFB and both the collected and modeled wind data, for determining the feasibility of incorporating wind turbines on site. This economic assessment has examined the representative costs and benefits for MAFB as a 3rd party owned and operated Power Purchase Agreement (PPA) developed project. The assessment has also studied the impact of metering and applicable electric rate charges, regulatory issues and tariff impacts with serving utility. The business case for a PPA arrangement has been analyzed with an example pro forma analysis produced.

Since both this study and a prior study have indicated that the wind resource has potential to be over 32% net capacity factor (close to 38% gross, but will vary dependent on the turbine model and hub height studied) and over 8.5% rate of return on the investment (PTC model), a commercial PPA wind farm project on Malmstrom AFB appears feasible.

As seen in our proforma analyses, the rate of return on this project can be highly variable, depending on the type of tax credit incentives available at the time of project implementation. However, with the relatively high energy pricing (and low demand rates) in Montana relative to other areas in the region, and with potential for better financing rates on a long-term government PPA versus the 6% interest rate modeled, any of the project sizes modeled could be feasible with competitive pricing, business models and value engineering.

On the smaller 4 turbine project, potential alternatives for improving the costs of the electrical interconnection and/or upgrades to the existing Base infrastructure could make that project option more competitive, if further project development and engineering firms up that possibility. If the Air Force decides to move forward with further development of this wind project, INL has provided throughout this report additional recommendations to consider during the next steps.

The selected site for this study, and the prior study, is located in the southern area of the Malmstrom AFB. The location is located just north of US Highway 89, in north western Montana. The previous study's tilt-up, 34 meter NRG meteorological tower with wind sensors and data logger is still in service near the potential wind turbine site. The met tower was procured in early 2009 and then installed in June 2009, and the data was subsequently collected and correlated to long-term data from the Great Falls International Airport (approximately 10 miles away).

As part of this study, INL developed and refined a preliminary wind project turbine layout for up to 8 turbines, with the layout shown in various coordinate systems (i.e. WGS84, UTM, NAD27). Energy production and gross to net reduction factors were also analyzed and estimated, and the wind resource and wake loss estimates were modeled and optimized in Wasp wind modeling software and with other modeling programs, utilizing the wind data collected at the site to-date. Adjustments for long-term were made using comparison and correlation with long-term wind data from the Great Falls airport. Figures 1 and 2 below show the preliminary wind turbine layout in NAD27 UTM in TopoUSA and in WGS84 latitude/longitude in Google Earth for comparison. Other layout maps are shown in Appendix C.

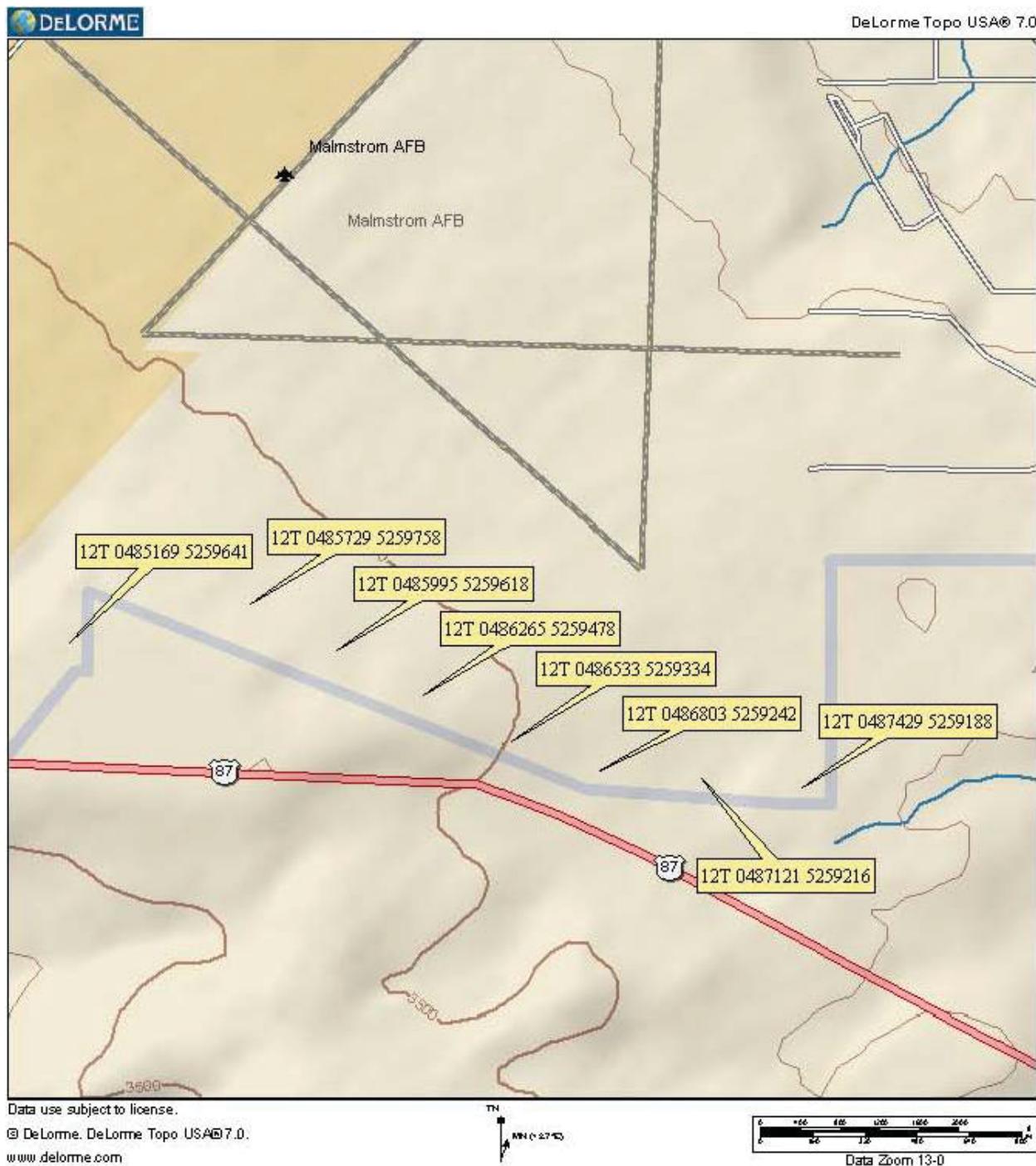


Figure 1: Malmstrom AFB Wind Turbine Layout, NAD27 UTM TopoUSA

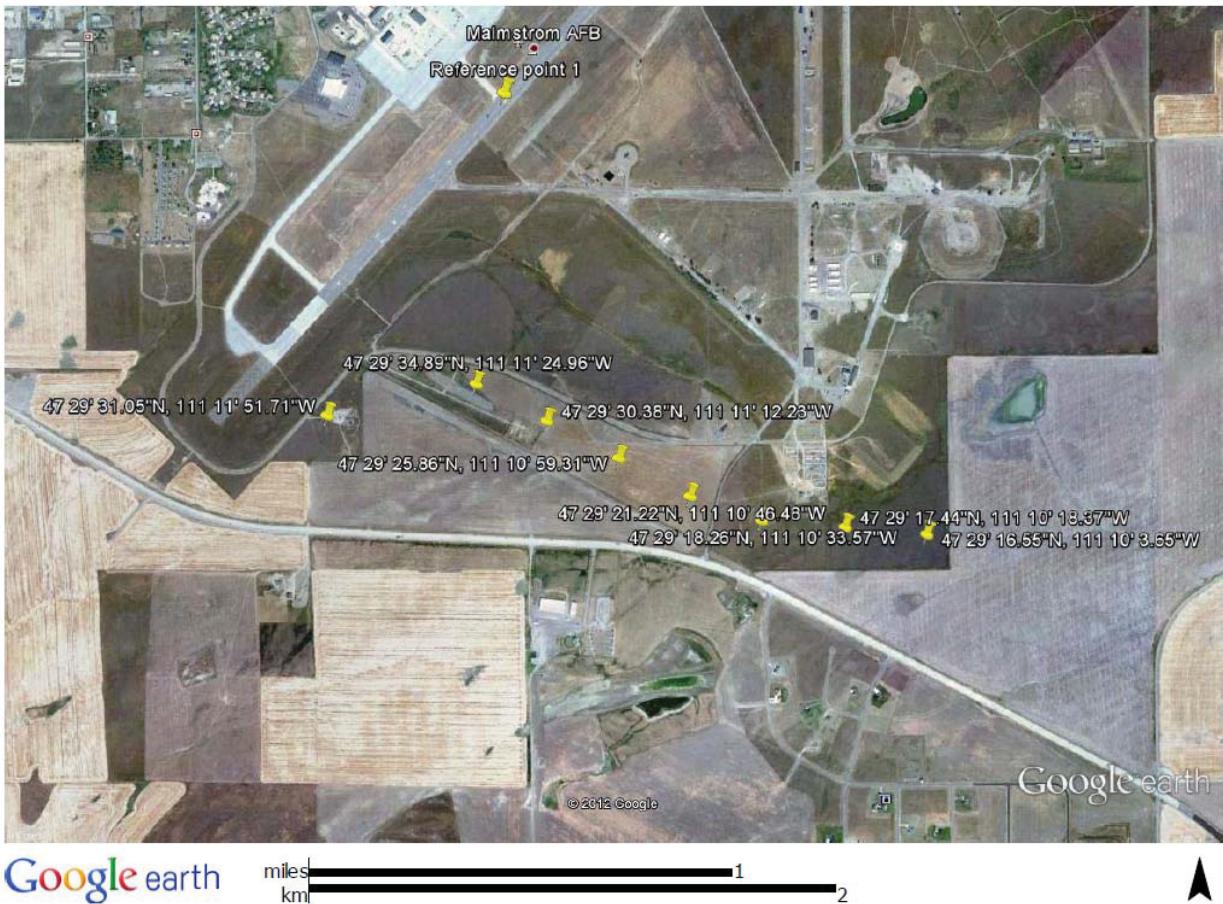


Figure 2: Malmstrom AFB Wind Turbine Layout, Google Earth

1.1 Proforma Results Discussion

Multiple, detailed proforma models were developed for this project, to enable comparison between various project sizes and tax credit structures that have been available in the recent past. The federal Production Tax Credit incentive is the only one of these incentives currently in place through 2013, however other incentive structures may be available in the near future, hence the reason for showing how these potential incentives can greatly affect project rates of return. All proformas presented here are for a Power Purchase Agreement project structure, where private industry finances, owns and operates the wind project. As these proformas are very detailed, only a few of the high level results are discussed here in the body of this report. To review the results in detail, please refer to appendices D-G and to the spreadsheet models supplied with the report.

Because the proposed project sizes lack significant economies of scale, and due to the estimated net project capacity factor being significantly below a high 30% range, the Investment Tax Credit (ITC) incentive structures (if they become available again) would be more suited to this type of project to significantly increase the rates of return. However, even if an ITC type of incentive is not available when this project moves into financing, the PTC incentive will likely still provide enough rate of return to generate private industry interest in the project, especially if project cost improvements can be made over the assumptions made in these proforma estimates.

Project sizes were chosen for the models based on land availability and missions considerations, the Base's average load and load profiles (about 6 MW average load), and variations to show some small economies of scale. Also considered were types and sizes of large turbines available on the market, suitability of the site to low wind model turbines, wake losses analyses, and other design factors. Project nameplate sizes of 7.2MW, 10.8MW, and 14.4 MW were chosen for the models, using 1.8 MW wind turbines. Up to 8 coordinates have been identified so far for wind turbine placements. Wind turbine models between 1.5 MW and 3.0 MW each could be considered for the project, based on site suitability and wake loss calculations, rotor sizes and spacing, and installed cost compared with estimated energy produced (i.e. boils down to cost per kWh).

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14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines; Major Input Variables and Financial Return Summary

Quick Summary - Project Info		
Vestas V100 (1.8MW)		
Size	14,400	kW
Net Annual Generation	40,914,571	kWh
Net Project Capacity Factor	32.4%	
Project Financing		
Total Capital Cost:	\$ 37,500,000	100.0%
Total Cost per Turbine Fully Installed	\$ 4,687,500	\$/Turbine
Cost per KW Installed	\$ 2,604	\$/kW
Financing		
Grants	\$ -	0.0%
USDA	\$ -	0.0%
Energy Trust / Other	\$ -	0.0%
ITC Cash Grant	\$ 10,125,000	27.0%
Development TEAM Long Term Equity	\$ -	0.0%
Other TEAM Long Term Equity	\$ -	0.0%
Tax Equity Investor	\$ 8,625,000	23.0%
Debt	\$ 18,750,000	50.0%
Project Key Input Variables		
Project Name	Malmstrom	
Year Project Installed	2014	
Month Project Installed	November	
Turbine Inputs		
Number of Turbines	8	turbines
Turbine Size	1800	kW Each
Site Inputs		
Estimated Gross Capacity Factor	37.86%	
Electrical Losses	8.00%	
Wake Losses (Included in WaSP Prod. Est.)	3.00%	
Availability	96.00%	
Financing Inputs		
Project Cost	\$ 2,604	\$/kW
MACRS Depreciable Costs	95.0%	of Project Cost
ITC Cash Grant	30.0%	of Project Cost
Eligible ITC Costs	90.0%	of Project Cost
Bonus Depreciation Allowed First Year	0.0%	of Project Cost
Debt Financing		
Debt Proportion	50.0%	
Interest Rate	6.00%	
Project Portion, Term	20	years
Annual Revenue and Operational Cost General Factors		
Blended ON-SITE Contract Sales Rate YEAR 1	\$ 61.57	\$/MWh
Blended OFF-SITE Contract Sales Rate YEAR 1	\$ 46.18	\$/MWh
REC Sales Rate	\$ 6.00	\$/MWh
CPI / Inflation Rate	2.5%	per year
Blended Wheeling Rate, Facility, Transmission, etc. (Local and/or BPA)	\$ -	\$/kWh
Property Taxes	\$ 0.0070	\$/kWh
O&M Contract (10yrWarranty escalated with CPI, \$65k/Turbine)	\$ 0.0098	\$/kWh
Operation Management/ Administration/ Reporting/ Forecasting Contract	2.0%	% of Gross
Land Lease Fees	0.0%	% of Gross
Production Tax Rate	\$ 0.00015	\$/kWh
Project's Net Annual Operating Income		
Year	Net Annual Cash Flow	Debt Service Coverage Ratio
2014	\$ 71,507	1.27
2015	\$ 210,403	1.13
2016	\$ 277,588	1.17
2017	\$ 346,094	1.21
2018	\$ 415,955	1.26
2019	\$ 447,205	1.28
2020	\$ 455,935	1.28
2021	\$ 491,824	1.31
2022	\$ 534,909	1.33
2023	\$ 565,226	1.35
2024	\$ 582,814	1.36
2025	\$ 885,778	1.55
2026	\$ 985,161	1.61
2027	\$ 1,086,313	1.67
2028	\$ 1,189,279	1.74
2029	\$ 1,294,102	1.80
2030	\$ 1,400,831	1.87
2031	\$ 1,509,512	1.94
2032	\$ 1,591,565	1.99
2033	\$ 1,675,670	2.04
2034	\$ 2,010,539	2.50
2035	\$ 3,440,556	
2036	\$ 3,529,433	
2037	\$ 3,620,532	
2038	\$ 3,713,908	
2039	\$ 3,809,619	
2040	\$ 3,907,722	
2041	\$ 4,008,278	
2042	\$ 3,992,672	
2043	\$ 3,976,676	
Average DSCR		1.56
The returns calculated show the effect of the bank debt at the terms and conditions indicated on the input sheet. The debt coverage ratio above is dynamically colored based on a ratio below 1.4 colored orange and below 1.2 colored red. Typically banks want the project to be above 1.4 in all cases. Firm sales contracts can help secure financing.		
8 TURBINES		20 YEAR PROJECT RETURNS
INVESTMENT TAX CREDIT (ITC) as Cash Grant		UNLEVERAGED LEVERAGED
5.0%		16.3%
INVESTMENT TAX CREDIT (ITC) as TAX CREDIT		5.7% 16.6%
4.7%		8.6%

Table 1: Major Input Variables and Financial Return Summary for 8 Turbine Project

**14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines;
30 Year Annual Cash Flow Statement**

Year	Project Gross & Net Generation Estimates (kWh)	Direct Energy Sales To All Base	Export Energy Sales Off All Base	Est. REC Sales Revenue	TOTAL Revenues	Transmission, Wheeling, and Project Turbines and Project Insurance	Operation & Maintenance Expenses	General & Administrative Costs	Electric Energy Production Taxes	Property Taxes	Loan Payment	TOTAL Expenses	Net Operating Cash Flow
	Grs Cap. Factor: 37.9%												
	Gross Annual Production: 47,715,136 kWh												
	Electrical Losses: 8.0%												
	Wake Losses: 3.00%												
	Availability: 96.0%												
	Net Annual Production: 40,814,571 kWh												
2014	6,837,778												
2015	40,914,571	\$ 302,318	\$ 104,983	\$ 41,027	\$ 448,328	\$ -	\$ (26,800)	\$ ((66,667)	\$ (1,026)	\$ -	\$ (268,662)	\$ (376,821)	\$ 71,507
2016	40,914,571	\$ 1,854,177	\$ 643,880	\$ 251,625	\$ 2,749,682	\$ -	\$ (177,120)	\$ (400,000)	\$ (57,761)	\$ (6,137)	\$ (286,290)	\$ (1,611,970)	\$ 210,403
2017	40,914,571	\$ 1,900,531	\$ 659,977	\$ 257,915	\$ 2,818,424	\$ -	\$ (181,548)	\$ (410,000)	\$ (59,205)	\$ (6,137)	\$ (271,976)	\$ (1,611,970)	\$ 277,588
2018	40,914,571	\$ 1,948,044	\$ 676,477	\$ 264,363	\$ 2,888,884	\$ -	\$ (186,087)	\$ (420,250)	\$ (60,685)	\$ (6,137)	\$ (257,661)	\$ (1,611,970)	\$ 346,094
2019	40,914,571	\$ 1,996,746	\$ 693,389	\$ 270,972	\$ 2,961,106	\$ -	\$ (190,739)	\$ (430,756)	\$ (62,202)	\$ (6,137)	\$ (243,347)	\$ (1,611,970)	\$ 415,955
2020	40,914,571	\$ 2,046,664	\$ 710,723	\$ 277,746	\$ 3,035,134	\$ -	\$ (195,507)	\$ (441,525)	\$ (63,757)	\$ (6,137)	\$ (229,032)	\$ (1,611,970)	\$ 447,705
2021	40,914,571	\$ 2,097,831	\$ 728,491	\$ 284,690	\$ 3,111,012	\$ -	\$ (200,395)	\$ (513,563)	\$ (65,351)	\$ (6,137)	\$ (257,661)	\$ (1,611,970)	\$ 455,935
2022	40,914,571	\$ 2,150,277	\$ 746,704	\$ 291,807	\$ 3,188,788	\$ -	\$ (205,405)	\$ (525,902)	\$ (66,985)	\$ (6,137)	\$ (280,564)	\$ (1,611,970)	\$ 491,824
2023	40,914,571	\$ 2,204,033	\$ 765,371	\$ 299,103	\$ 3,268,507	\$ -	\$ (210,540)	\$ (538,550)	\$ (68,660)	\$ (6,137)	\$ (297,742)	\$ (1,611,970)	\$ 534,909
2024	40,914,571	\$ 2,259,134	\$ 784,508	\$ 306,580	\$ 3,350,226	\$ -	\$ (215,804)	\$ (571,514)	\$ (70,376)	\$ (6,137)	\$ (309,193)	\$ (1,611,970)	\$ 565,726
2025	40,914,571	\$ 2,315,613	\$ 804,118	\$ 314,245	\$ 3,433,976	\$ -	\$ (221,198)	\$ (624,802)	\$ (72,136)	\$ (6,137)	\$ (314,919)	\$ (1,611,970)	\$ 582,814
2026	40,914,571	\$ 2,373,503	\$ 824,221	\$ 536,635	\$ 3,734,559	\$ -	\$ (226,729)	\$ (639,422)	\$ (78,234)	\$ (6,137)	\$ (286,290)	\$ (1,611,970)	\$ 885,778
2027	40,914,571	\$ 2,432,841	\$ 844,827	\$ 550,255	\$ 3,827,923	\$ -	\$ (232,397)	\$ (654,407)	\$ (80,190)	\$ (6,137)	\$ (257,661)	\$ (1,611,970)	\$ 985,161
2028	40,914,571	\$ 2,493,662	\$ 865,947	\$ 564,012	\$ 3,923,621	\$ -	\$ (238,207)	\$ (669,767)	\$ (82,194)	\$ (6,137)	\$ (229,032)	\$ (1,611,970)	\$ 1,086,113
2029	40,914,571	\$ 2,556,003	\$ 887,596	\$ 578,112	\$ 4,021,711	\$ -	\$ (244,162)	\$ (685,511)	\$ (84,249)	\$ (6,137)	\$ (200,403)	\$ (1,611,970)	\$ 1,189,279
2030	40,914,571	\$ 2,619,903	\$ 907,768	\$ 592,565	\$ 4,122,254	\$ -	\$ (250,266)	\$ (701,649)	\$ (86,355)	\$ (6,137)	\$ (171,744)	\$ (1,611,970)	\$ 1,294,102
2031	40,914,571	\$ 2,685,401	\$ 932,531	\$ 807,379	\$ 4,225,310	\$ -	\$ (256,523)	\$ (718,190)	\$ (88,514)	\$ (6,137)	\$ (143,145)	\$ (1,611,970)	\$ 1,400,351
2032	40,914,571	\$ 2,752,536	\$ 955,644	\$ 622,564	\$ 4,330,945	\$ -	\$ (262,936)	\$ (735,145)	\$ (90,727)	\$ (6,137)	\$ (114,516)	\$ (1,611,970)	\$ 1,509,412
2033	40,914,571	\$ 2,821,349	\$ 979,740	\$ 636,128	\$ 4,439,217	\$ -	\$ (269,509)	\$ (752,524)	\$ (92,995)	\$ (6,137)	\$ (114,516)	\$ (1,611,970)	\$ 1,591,565
2034	40,914,571	\$ 2,881,863	\$ 1,004,233	\$ 654,081	\$ 4,550,197	\$ -	\$ (276,247)	\$ (770,337)	\$ (95,320)	\$ (6,137)	\$ (114,516)	\$ (1,611,970)	\$ 1,675,670
2035	40,914,571	\$ 2,946,180	\$ 1,029,339	\$ 670,433	\$ 4,663,952	\$ -	\$ (283,153)	\$ (808,595)	\$ (97,703)	\$ (6,137)	\$ (114,516)	\$ (1,343,308)	\$ 2,010,539
2036	40,914,571	\$ 3,036,284	\$ 1,055,073	\$ 687,194	\$ 4,780,551	\$ -	\$ (290,232)	\$ (828,810)	\$ (100,146)	\$ (6,291)	\$ (114,516)	\$ -	\$ 1,339,995
2037	40,914,571	\$ 3,114,242	\$ 1,081,450	\$ 704,374	\$ 4,900,065	\$ -	\$ (297,486)	\$ (849,531)	\$ (102,650)	\$ (6,448)	\$ (114,516)	\$ -	\$ 1,370,631
2038	40,914,571	\$ 3,192,098	\$ 1,108,486	\$ 721,983	\$ 5,022,566	\$ -	\$ (304,925)	\$ (870,769)	\$ (105,216)	\$ (6,609)	\$ (114,516)	\$ -	\$ 1,402,034
2039	40,914,571	\$ 3,271,900	\$ 1,136,198	\$ 740,032	\$ 5,148,136	\$ -	\$ (312,548)	\$ (892,538)	\$ (107,846)	\$ (6,774)	\$ (114,516)	\$ -	\$ 1,434,222
2040	40,914,571	\$ 3,355,688	\$ 1,164,603	\$ 758,533	\$ 5,276,834	\$ -	\$ (320,362)	\$ (914,851)	\$ (110,542)	\$ (6,944)	\$ (114,516)	\$ -	\$ 1,467,215
2041	40,914,571	\$ 3,437,540	\$ 1,193,716	\$ 777,497	\$ 5,408,755	\$ -	\$ (328,371)	\$ (937,723)	\$ (113,306)	\$ (7,117)	\$ (114,516)	\$ -	\$ 1,501,032
2042	40,914,571	\$ 3,523,478	\$ 1,223,561	\$ 796,934	\$ 5,543,973	\$ -	\$ (336,580)	\$ (961,166)	\$ (116,139)	\$ (7,285)	\$ (114,516)	\$ -	\$ 1,539,695
2043	40,914,571	\$ 3,523,478	\$ 1,223,561	\$ 816,857	\$ 5,563,897	\$ -	\$ (343,619)	\$ (985,195)	\$ (119,042)	\$ (7,478)	\$ (114,516)	\$ -	\$ 1,571,225
Totals	1,193,360,338	77,644,824	26,962,894	15,715,119	120,322,837	-	(7,442,387)	(20,369,485)	(2,532,174)	(186,389)	(5,525,397)	(32,239,398)	(68,295,230)

Table 2: 30 Year Annual Cash Flow Statement for 8 Turbine Project

- e. Federal and State taxes payable, and federal and State tax credits are detailed in table 3 below and in appendices E-G. For the 14.4 MW project, net after tax payments cash flow is \$27,368,915, and total project returns (cash and credit values, PTC model) over 30 years are \$48,442,480.
- f. The models assume a steady level of annual loads on the Base, based on loading and billing information provided by the Base for 2011-2012. Detailed loading, energy production, export, and billing analyses are provided in appendix D and in the proforma spreadsheets.
- g. These financial models are based on P50 probability production estimates, with relatively conservative gross to net reduction factors. Final potential developers and financers may utilize P90 or P95 probability calculations for their financial analyses, to ensure comfortable levels of payback and annual cash flow to cover low wind years and potential long-term wind and operational reduction contingencies.

14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines;
After Tax Cash and Credits Profitability - PTC Production Tax Credits instead of ITC

Year	TOTAL Revenues	TOTAL Expenses	Net Operating Cash Flow	Federal Tax Payable	State Tax Payable	Net AFTER TAX PAYMENTS Cash Flow	Federal CREDITS - Carried to Other Business Tax Liabilities	State Tax CREDITS - Carried to other Business Tax Liabilities	Total Project Returns - Cash and Credit Values (Investment is ITC +Equity Amt)	ITC Equivalent
			Contract Year			21 Yr NPV = \$2,311,549 at 12%	21 Yr NPV = \$12,539,029 at 12%	21 Yr NPV = \$1,607,303 at 12%	21 Yr NPV = \$16,457,881 at 12%	\$ 10,125,000 Equity \$ 8,625,000
2014	\$ 448,328	\$ (376,821)	\$ 71,507	\$ -	\$ -	\$ 71,507	\$ 2,590,676	\$ 481,077	\$ 3,143,260	
2015	\$ 2,749,682	\$ (2,539,278)	\$ 210,403	\$ -	\$ -	\$ 210,403	\$ 4,662,020	\$ 737,195	\$ 5,609,619	
2016	\$ 2,818,424	\$ (2,540,836)	\$ 277,888	\$ -	\$ -	\$ 277,588	\$ 3,054,657	\$ 415,768	\$ 3,748,013	
2017	\$ 2,888,884	\$ (2,542,790)	\$ 346,094	\$ -	\$ -	\$ 346,094	\$ 2,085,134	\$ 219,973	\$ 2,661,201	
2018	\$ 2,961,106	\$ (2,545,151)	\$ 415,955	\$ -	\$ -	\$ 415,955	\$ 2,072,613	\$ 212,727	\$ 2,701,295	
2019	\$ 3,035,134	\$ (2,567,929)	\$ 447,205	\$ -	\$ -	\$ 447,205	\$ 1,355,254	\$ 66,408	\$ 1,868,866	
2020	\$ 3,111,012	\$ (2,655,078)	\$ 455,935	\$ -	\$ -	\$ 377,418	\$ 645,592	\$ -	\$ 1,023,010	
2021	\$ 3,188,788	\$ (2,696,964)	\$ 491,224	\$ -	\$ -	\$ 407,929	\$ 644,405	\$ -	\$ 1,052,333	
2022	\$ 3,268,507	\$ (2,733,598)	\$ 534,909	\$ -	\$ -	\$ 444,959	\$ 640,444	\$ -	\$ 1,085,403	
2023	\$ 3,350,220	\$ (2,784,994)	\$ 565,226	\$ -	\$ -	\$ 469,913	\$ 640,656	\$ -	\$ 1,110,570	
2024	\$ 3,433,976	\$ (2,851,182)	\$ 582,814	\$ -	\$ -	\$ 482,814	\$ 548,967	\$ -	\$ 1,031,781	
2025	\$ 3,734,559	\$ (2,848,781)	\$ 885,778	\$ 631,966	\$ 124,592	\$ 129,200	\$ -	\$ -	\$ 129,200	
2026	\$ 3,827,923	\$ (2,842,762)	\$ 985,161	\$ 686,628	\$ 135,364	\$ 163,169	\$ -	\$ -	\$ 163,169	
2027	\$ 3,923,621	\$ (2,837,307)	\$ 1,086,513	\$ 743,115	\$ 146,500	\$ 196,699	\$ -	\$ -	\$ 196,699	
2028	\$ 4,021,711	\$ (2,832,433)	\$ 1,189,279	\$ 801,536	\$ 158,017	\$ 229,726	\$ -	\$ -	\$ 229,726	
2029	\$ 4,122,254	\$ (2,828,152)	\$ 1,294,102	\$ 861,988	\$ 169,935	\$ 262,180	\$ -	\$ -	\$ 262,180	
2030	\$ 4,225,310	\$ (2,824,479)	\$ 1,400,831	\$ 924,572	\$ 182,273	\$ 293,986	\$ -	\$ -	\$ 293,986	
2031	\$ 4,330,943	\$ (2,821,431)	\$ 1,509,812	\$ 989,396	\$ 195,052	\$ 325,064	\$ -	\$ -	\$ 325,064	
2032	\$ 4,435,217	\$ (2,847,651)	\$ 1,591,565	\$ 1,046,552	\$ 205,320	\$ 338,693	\$ -	\$ -	\$ 338,693	
2033	\$ 4,550,197	\$ (2,874,527)	\$ 1,675,670	\$ 1,106,180	\$ 218,076	\$ 351,414	\$ -	\$ -	\$ 351,414	
2034	\$ 4,663,952	\$ (2,665,413)	\$ 2,010,539	\$ 1,161,172	\$ 228,917	\$ 620,451	\$ -	\$ -	\$ 620,451	
2035	\$ 4,780,551	\$ (1,339,995)	\$ 3,440,566	\$ 1,176,345	\$ 237,398	\$ 2,026,813	\$ -	\$ -	\$ 2,026,813	
2036	\$ 4,900,065	\$ (1,370,631)	\$ 3,529,433	\$ 1,152,212	\$ 243,531	\$ 2,133,690	\$ -	\$ -	\$ 2,133,690	
2037	\$ 5,022,566	\$ (1,402,034)	\$ 3,620,532	\$ 1,181,950	\$ 249,817	\$ 2,188,765	\$ -	\$ -	\$ 2,188,765	
2038	\$ 5,148,130	\$ (1,434,229)	\$ 3,713,908	\$ 1,212,432	\$ 256,280	\$ 2,245,216	\$ -	\$ -	\$ 2,245,216	
2039	\$ 5,276,834	\$ (1,467,215)	\$ 3,809,619	\$ 1,243,676	\$ 262,864	\$ 2,303,079	\$ -	\$ -	\$ 2,303,079	
2040	\$ 5,405,755	\$ (1,501,032)	\$ 3,907,722	\$ 1,275,700	\$ 269,633	\$ 2,362,389	\$ -	\$ -	\$ 2,362,389	
2041	\$ 5,543,973	\$ (1,535,695)	\$ 4,008,278	\$ 1,308,526	\$ 276,571	\$ 2,423,181	\$ -	\$ -	\$ 2,423,181	
2042	\$ 5,663,897	\$ (1,571,225)	\$ 3,992,672	\$ 1,300,635	\$ 275,494	\$ 2,416,542	\$ -	\$ -	\$ 2,416,542	
2043	\$ 5,584,318	\$ (1,607,643)	\$ 3,976,676	\$ 1,295,413	\$ 274,391	\$ 2,406,872	\$ -	\$ -	\$ 2,406,872	
Totals	120,322,837	(68,295,230)	52,027,607	20,100,015	4,558,677	27,368,915	18,940,417	2,133,147	48,442,480	Total Investment \$ (18,750,000)

Table 3: After Tax Cash and Credits Profitability With PTC, 8 Turbine Project

10 YEAR Production Tax Credits: This is the most likely scenario for future legislation which shows the dramatic effect of stretching out annual tax credit payments based on production compared to any kind of an up front ITC kind of scenario.

In this sheet the full depreciation is carried and the State and Federal credits are assumed to be fully utilized as they are created.

1.2 Proforma Sensitivity Analyses

The proforma model supplied with this study has been setup to allow for sensitivity analyses of several of the input variables. One of the first variables to look at is the off-base energy sales rate when considering potential projects larger than 7.2 MW nameplate. This has been modeled initially in our spreadsheets at 75% of the on-Base energy offset rate, which is a starting value of about \$0.04618/kWh. Based on our experience in the region, this is a reasonable assumption for negotiated energy price value for a new energy project utilizing resource planning methods. However, as a private developer goes through the process of finalizing sales rates and contracts, this price could be higher or lower depending on market conditions, utility needs and other factors. To analyze the effects of this on the project cash flows and rates of return, you can vary the pricing on the spreadsheets and see the results. Plus or minus a few tenths of a cent per kWh doesn't have a large effect, but anything more than a 0.5 cent has a significant effect.

Another input variable to watch/analyze closely is the debt financing interest rate. As a federal government energy project with long-term PPA potential, private developers should be able to secure a relatively low interest rate for this type of project. The initial proforma analysis has utilized a 6.0% interest rate, however rates below this value should be achievable for this type of project, at least until general interest rates start to rise. To maintain a positive cash flow in all years, the debt financing interest rate will likely have to be below 6% as modeled, if all other input variables remain similar. To see how different rates affect the cash flow results, go to the proforma spreadsheets and try adjusting these variables.

1.2.1 Regional Tax Structure Comparisons

Tax structures and other federal and State incentives are typically critical to wind project economics, and this project at Malmstrom would be no different. Montana's tax structures are helpful in some areas, but more challenging in others. First off, Montana has a sales tax exemption on renewable energy equipment, which is helpful as the up-front costs for wind energy equipment are large compared to many other forms of power generation. But on the down side, Montana has pretty high property taxes compared to many of its surrounding States when it comes to wind power projects. There is a property tax incentive that can be arranged before construction starts to reduce the tax in the first ten years while the project is still being depreciated, however it still results in a relatively high property tax when compared to nearby States such as Idaho (Idaho's first year property tax would be about 1/3 of Montana's first year property tax for a wind project). In order to be able to use this property tax reduction incentive, the project must not use the State's Alternative Energy Production Tax Credit (AEPC). The AEPC sounds like a good incentive on the surface, but when you dig into the details it is really only worth a small amount in year 7 of the project, as it can only be used to offset tax liabilities in the first six years and there is nothing to offset as those liabilities are already covered by other incentives (see the full proformas for more details).

Montana was at an even bigger wind energy investment disadvantage when compared to Idaho a couple of years ago, as Idaho had a sales tax exemption in addition to its wind energy property tax structure that is much lower and stable over 20 years since it is based on percentage of gross energy sales. However, the sales tax exemption in Idaho was not renewed last year, so that helps Montana be at least a little more competitive in the region even though its property taxes are higher. Of course Montana and other surrounding States have other investment advantages and disadvantages, so this comparison with Idaho is only one part of the story.

Montana also has a small electricity production tax that has a minor impact on project cash flow, however it currently has a significant advantage over nearby States (to help overcome the high property tax) for new energy project investment when it comes to on-site commercial generation. That advantage is the higher price of energy compared to demand and service charge rates, as well as a partially deregulated utility service regulatory structure. For detailed information on all of the inputs, variables and analyses related to tax structures and incentives, see the detailed proforma results in the appendices and the proforma spreadsheets accompanying this report.

Because of the higher tax environment in Montana, property lease values and related costs to the project should be considered carefully for the project to maintain positive cash flow. In the proformas created for this study, property lease payments were zeroed out in the models to simplify and maintain adequate cash flow. Extra maintenance reserve account savings were accounted for in the models to remain conservative, so there may be additional funding to cover land lease payments if required for the project. Project solvency will depend on the particular business models and input variable adjustments performed by potential developers on the project.

As one looks at the taxes and associated cash flows in the proforma models, something to think about is potential for a flip model to apply to this type of project. Although federal procurement laws and contracting are relatively restrictive, and federal budgeting processes make it difficult to plan for a project buyout in the future, this still may be a possibility to consider. The federal and State tax payments in the later years of the project are significant and have a big effect on the project's rate of return. See tables 4 and 5 below for details on the 8 turbine project production and property taxes, and federal and State tax liabilities for the Production Tax Credit (PTC) model. If the project could be bought out at a depreciated value, significant tax savings would be achieved by having the project under federal ownership from that point forward, and energy rates from the project's output could be significantly reduced. This may be more a more complicated implementation process than this type of project would want to entertain, but detailed looks at the proformas show how tax-centric renewable energy projects are in concept. Even

though some believe that wind energy projects receive tax incentives that are too high, because of the high upfront capital cost and net cash flow structure of wind projects, they pay back much more in federal and State income taxes and property taxes than the initial incentives.

Because of these tax issues associated with a unique federal energy project like this one, there could be opportunities for discussions with the State to consider legislative or regulatory changes to improve the ability to implement these types of energy projects. From the perspective of garnering State and local support for the project when working on project approvals, a potential selling point to local government and the public is that under current tax structures this project would pay significant amounts in taxes, as detailed in the proformas.

**14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines;
Production and Property Tax Calculations**

Year	TOTAL Annual MT Electricity Production Tax Payments	Straightline Depreciated Property Valuation for Tax Calc	Taxable Value Montana Tax Revenue Code	Green and Emerging Business Discount 10 Yrs (cash value)	Actual Tax Owed for Year	June Payment Schedule	November Payment Schedule	TOTAL Annual Property Tax Payments	Green and Emerging Business Discount 10-Yrs
	\$0.00015 per kWh of Elect Sales	Straight line 20 year depreciation down to 20% minimum	Special Category Assets	3%	\$ 1,689,111			Payment Staggered	\$508.9600 per \$1000/year
2014	\$ (1,026)	\$ 37,500,000	\$ 1,125,000	\$ 286,290	\$ (286,290)			50%	0.50896
2015	\$ (6,137)	\$ 35,625,000	\$ 1,068,750	\$ 271,976	\$ (271,976)	\$ (143,145)	\$ (143,145)	\$ (286,290)	50% 1
2016	\$ (6,137)	\$ 33,750,000	\$ 1,012,500	\$ 257,661	\$ (257,661)	\$ (135,988)	\$ (135,988)	\$ (271,976)	50% 2
2017	\$ (6,137)	\$ 31,875,000	\$ 956,250	\$ 243,347	\$ (243,347)	\$ (128,831)	\$ (128,831)	\$ (257,661)	50% 3
2018	\$ (6,137)	\$ 30,000,000	\$ 900,000	\$ 229,032	\$ (229,032)	\$ (121,673)	\$ (121,673)	\$ (243,347)	50% 4
2019	\$ (6,137)	\$ 28,125,000	\$ 843,750	\$ 171,774	\$ (257,661)	\$ (114,516)	\$ (114,516)	\$ (229,032)	50% 5
2020	\$ (6,137)	\$ 26,250,000	\$ 787,500	\$ 120,242	\$ (280,564)	\$ (128,831)	\$ (128,831)	\$ (257,661)	40% 6
2021	\$ (6,137)	\$ 24,375,000	\$ 731,250	\$ 74,435	\$ (287,742)	\$ (140,282)	\$ (140,282)	\$ (280,564)	30% 7
2022	\$ (6,137)	\$ 22,500,000	\$ 675,000	\$ 34,355	\$ (309,193)	\$ (148,871)	\$ (148,871)	\$ (297,742)	20% 8
2023	\$ (6,137)	\$ 20,625,000	\$ 618,750	\$ -	\$ (314,919)	\$ (154,597)	\$ (154,597)	\$ (309,193)	10% 9
2024	\$ (6,137)	\$ 18,750,000	\$ 562,500	\$ -	\$ (286,290)	\$ (157,460)	\$ (157,460)	\$ (314,919)	0% 10
2025	\$ (6,137)	\$ 16,875,000	\$ 506,250	\$ -	\$ (257,661)	\$ (143,145)	\$ (143,145)	\$ (286,290)	
2026	\$ (6,137)	\$ 15,000,000	\$ 450,000	\$ -	\$ (229,032)	\$ (128,831)	\$ (128,831)	\$ (257,661)	
2027	\$ (6,137)	\$ 13,125,000	\$ 393,750	\$ -	\$ (200,403)	\$ (114,516)	\$ (114,516)	\$ (229,032)	
2028	\$ (6,137)	\$ 11,250,000	\$ 337,500	\$ -	\$ (171,774)	\$ (100,202)	\$ (100,202)	\$ (200,403)	
2029	\$ (6,137)	\$ 9,375,000	\$ 281,250	\$ -	\$ (143,145)	\$ (85,887)	\$ (85,887)	\$ (171,774)	
2030	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (71,573)	\$ (71,573)	\$ (143,145)	
2031	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)	\$ (114,516)	
2032	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)	\$ (114,516)	
2033	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)	\$ (114,516)	
2034	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)	\$ (114,516)	
2035	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)	\$ (114,516)	
2036	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)	\$ (114,516)	
2037	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)	\$ (114,516)	
2038	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)	\$ (114,516)	
2039	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)	\$ (114,516)	
2040	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)	\$ (114,516)	
2041	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)	\$ (114,516)	
2042	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)	\$ (114,516)	
2043	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)	\$ (114,516)	
	\$ (179,004)				\$ (5,639,913)			\$ (5,525,397)	

Table 4: Production and Property Tax Calculations for 8 Turbine Project

**14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines;
Federal and State Tax Liabilities - PRODUCTION TAX CREDIT PTC MODEL**

Depreciation Expense Federal FULL VALUE	Taxable FEDERAL Income / Loss	Taxable FEDERAL Income (Loss) w/ credit for Prev State Tax Expense Paid	FEDERAL PRODUCTION TAX CREDIT	Federal Tax Payable (Credit)	2014	State Depreciation Expense FULL VALUE (Loss)	Taxable STATE Income	State ITC	State Tax Payable (Credit)	Cumulative State Credit or Current State Tax Liability
\$ (7,125,000)	\$ (6,972,128)	\$ (6,972,128)	\$ (150,431)	\$ (2,590,676)	2014	\$ (7,125,000)	\$ (6,972,128)	\$ -	\$ (481,077)	\$ (481,077)
\$ (11,400,000)	\$ (10,683,991)	\$ (10,683,991)	\$ (922,624)	\$ (4,662,020)	2015	\$ (11,400,000)	\$ (10,683,991)	\$ -	\$ (737,195)	\$ (1,218,272)
\$ (6,840,000)	\$ (6,025,622)	\$ (6,025,622)	\$ (945,689)	\$ (3,054,657)	2016	\$ (6,840,000)	\$ (6,025,622)	\$ -	\$ (415,768)	\$ (1,634,040)
\$ (4,104,000)	\$ (3,188,007)	\$ (3,188,007)	\$ (969,331)	\$ (2,085,134)	2017	\$ (4,104,000)	\$ (3,188,007)	\$ -	\$ (219,973)	\$ (1,854,013)
\$ (4,104,000)	\$ (3,082,996)	\$ (3,082,996)	\$ (993,565)	\$ (2,072,613)	2018	\$ (4,104,000)	\$ (3,082,996)	\$ -	\$ (212,727)	\$ (2,066,739)
\$ (2,052,000)	\$ (962,429)	\$ (962,429)	\$ (1,018,404)	\$ (1,355,254)	2019	\$ (2,052,000)	\$ (962,429)	\$ -	\$ (66,408)	\$ (2,133,147)
\$ 1,137,921	\$ 1,137,921	\$ (1,043,864)	\$ (645,592)	\$ 2020	\$ 1,137,921	\$ 78,517	\$ (2,054,630)	\$ 7		
\$ 1,215,874	\$ 1,215,874	\$ (1,069,980)	\$ (644,405)	\$ 2021	\$ 1,215,874	\$ 83,895	\$ (1,970,735)	\$ 8		
\$ 1,303,616	\$ 1,303,616	\$ (1,096,710)	\$ (640,444)	\$ 2022	\$ 1,303,616	\$ 89,950	\$ (1,880,786)	\$ 9		
\$ 1,381,346	\$ 1,381,346	\$ (1,124,127)	\$ (640,858)	\$ 2023	\$ 1,381,346	\$ 95,313	\$ (1,785,473)	\$ 10		
\$ 1,449,270	\$ 1,449,270	\$ (1,056,211)	\$ (548,967)	\$ 2024	\$ 1,449,270	\$ 100,000	\$ (1,685,473)	\$ 11		
\$ 1,805,675	\$ 1,805,675	\$ 631,986	\$ 2025	\$ 1,805,675	\$ 124,592	\$ (1,560,882)	\$ 12			
\$ 1,961,795	\$ 1,961,795	\$ 686,626	\$ 2026	\$ 1,961,795	\$ 135,364	\$ (1,425,518)	\$ 13			
\$ 2,123,185	\$ 2,123,185	\$ 743,115	\$ 2027	\$ 2,123,185	\$ 146,500	\$ (1,279,018)	\$ 14			
\$ 2,280,102	\$ 2,280,102	\$ 801,536	\$ 2028	\$ 2,280,102	\$ 158,017	\$ (1,121,001)	\$ 15			
\$ 2,462,822	\$ 2,462,822	\$ 881,988	\$ 2029	\$ 2,462,822	\$ 169,935	\$ (951,066)	\$ 16			
\$ 2,641,635	\$ 2,641,635	\$ 924,572	\$ 2030	\$ 2,641,635	\$ 182,273	\$ (768,793)	\$ 17			
\$ 2,826,848	\$ 2,826,848	\$ 989,396	\$ 2031	\$ 2,826,848	\$ 195,052	\$ (573,741)	\$ 18			
\$ 2,990,149	\$ 2,990,149	\$ 1,046,552	\$ 2032	\$ 2,990,149	\$ 206,320	\$ (367,421)	\$ 19			
\$ 3,160,516	\$ 3,160,516	\$ 1,106,180	\$ 2033	\$ 3,160,516	\$ 218,076	\$ (149,345)	\$ 20			
\$ 3,317,633	\$ 3,317,633	\$ 1,161,172	\$ 2034	\$ 3,317,633	\$ 228,917	\$ 79,572	\$ 21			
\$ 3,440,556	\$ 3,360,985	\$ 1,176,345	\$ 2035	\$ 3,440,556	\$ 237,398	\$ 237,398	\$ 22			
\$ 3,529,432	\$ 3,292,035	\$ 1,152,212	\$ 2036	\$ 3,529,432	\$ 243,531	\$ 243,531	\$ 23			
\$ 3,620,532	\$ 3,377,001	\$ 1,181,950	\$ 2037	\$ 3,620,532	\$ 249,817	\$ 249,817	\$ 24			
\$ 3,713,908	\$ 3,464,091	\$ 1,212,432	\$ 2038	\$ 3,713,908	\$ 256,280	\$ 256,280	\$ 25			
\$ 3,809,619	\$ 3,553,359	\$ 1,243,676	\$ 2039	\$ 3,809,619	\$ 262,864	\$ 262,864	\$ 26			
\$ 3,907,722	\$ 3,644,858	\$ 1,275,700	\$ 2040	\$ 3,907,722	\$ 269,633	\$ 269,633	\$ 27			
\$ 4,008,278	\$ 3,738,645	\$ 1,308,526	\$ 2041	\$ 4,008,278	\$ 276,571	\$ 276,571	\$ 28			
\$ 3,992,672	\$ 3,716,101	\$ 1,300,635	\$ 2042	\$ 3,992,672	\$ 275,494	\$ 275,494	\$ 29			
\$ 3,976,676	\$ 3,701,181	\$ 1,295,413	\$ 2043	\$ 3,976,676	\$ 274,391	\$ 274,391	\$ 30			

Special PRODUCTION TAX CREDIT PTC Case: This scenario shows the effect of the PTC credits with the full depreciation value. The state credits and payable tax are the same as the ITC model, the Federal part of the model is significantly different of course. The total federal credits are driven completely by energy kWh production levels and produce through 10 full years from project on-line date. Often companies that can fully use the PTC do not have tax liabilities in the states of the project construction. The far right column shows the effect of carrying the state credit forward instead of offsetting other business State Tax liabilities more than 20 years. Some portion of those credits may expire before using them in that time frame.

Table 5: Federal and State Tax Liabilities, 8 Turbine Project PTC Model

1.3 Additional Data Needs

The data used for this analysis has included over two years of on-site data located right in the area where the wind farm layout is proposed. It has also included long-term data from the Great Falls airport for comparison, correlation and long-term estimates. The on-site met tower so far has been a 34 meter tower with instruments at 20 and 34 meters. To reduce uncertainty in the analyses for estimated energy production with 80 meter hub height wind turbines, it is recommended in the near future that a Soda unit and a 60 meter met tower be added to the wind data system at Malmstrom. Since the area of the wind farm layout is relatively small, there is probably only a need for one more met tower (60m), as the terrain is not too complex in the area and can be modeled effectively with wind modeling software (i.e. Wasp or WindSim).

In order to facilitate the potential for private financing and provide the data to support a finance-grade analysis, at least one year of the taller tower data will be required. It would also be good to run this data collection head-to-head with the 34 meter tower already in-place and to the airport data. We recommend that the 34m tower be refurbished with new instruments when the other taller tower is added for accurate comparison. Since the 34m tower has been in place for a few years, the shear properties and longer-term estimates should become apparent before the full year of data collection is up, so other development steps can be run in parallel to speed up the process. The 60m met tower could be funded and installed before an RFP is issued for private industry to bid on completing the project, or the Air Force could wait and have the selected bidder perform this as part of their project effort. At a minimum, INL recommends at least putting in a Soda unit for a period of 3-12 months before or during an RFP process so that the preliminary wind shear and production estimates can be offered with higher levels of confidence.

2. Export Energy and REC Considerations

As Montana's electricity market structure is partially deregulated, there may be some interesting options for project developers to consider for this potential wind project, especially in regards to the potential for export energy sales if a project larger than 6-8 MW nameplate is considered. Obviously, since the Base is served by Northwestern Energy for both transmission and distribution and for energy and power demand services, the easiest path for sales of excess energy would likely be with Northwestern. However, their interest in the project will likely be affected by their needs (or not) for new renewable energy sources, load growth and resource planning. Initial discussions with Northwestern have indicated that their interest in new wind energy will likely be low for at least a few years, as they have been bringing on new resources recently and do not anticipate need for additional energy in the near future.

However, there are many electric co-ops and other potential utility buyers and wholesalers in the region, so there should be other options to arrange power sales agreements for excess energy not utilized on Base. As part of this study, we had conversations with an electrical co-op and co-op groups in the region, including Southern Montana Electric G&T, PNCG and UAMPS. There is general interest in these types of small/medium scale wind projects, although project economics, utility needs, transmission ownership/availability, and interconnect study findings weigh heavily on the potential to close a deal with a serious utility. Of interest in the region is the existing wind project West of Great Falls that sells to Idaho Power through a PURPA contract, the transmission connectivity between Northwestern and Idaho Power, and a 40 MW gas peaker plant in Great Falls that is owned by Southern MT Electric G&T but may be up for sale in the future.

PURPA possibilities in Montana and Idaho are currently limited, as Idaho's PURPA regulations have recently been changed to limit project size that can qualify for a standard, calculated avoided cost based on Surrogate Avoided Resource (SAR). Montana's PURPA rates have not yet reached a level to drive developer interest and investment; most wind projects developed in Montana are larger projects with unique market PPA's. PURPA projects over 100kW hoping to sell power to an Idaho utility must now negotiate with the utility on sales price, and it is typically based on economic modeling in relation to the utility's Integrated Resource Planning process. So PURPA pricing in these States has lowered recently, but power sales costs in the \$0.045/kWh range are still likely under PURPA.

The reason for this discussion is to introduce concepts for potential of wheeling the excess energy (or potentially a firmed product through other arrangements) to other areas where energy is needed or pricing is more competitive. An energy imbalance market structure is under development in the Northwest and California, so further opportunities may arise in the near future for improved market interaction. Also, since there are other Air Force Bases in the region (Mountain Home in Idaho, Hill in Utah), options for REC sales or trading and/or wheeling power to another Base could be considered if the economics become favorable. With more commercial and industrial companies looking for green energy, options for selling REC's to niche or utility customers may also become more favorable. Another consideration could be entities such as the Air National Guard in Great Falls, as they are considering renewable energy to meet energy goals, and being in the same utility T&D territory could make wheeling and excess sales arrangements less complex.

3. Project Development Considerations

If the decision is made to move forward with a wind energy project at Malmstrom AFB, FAA and other mission impact reviews should be started as early as possible, especially since there are weather

(Nexrad 88D), Air Traffic Control (ATC, ASR-8), and Long Range Radar (LRR, ARSR-4) radar systems in the area, all between 9-10 miles away from the potential project site. The FAA process can be initiated on the Internet with electronic submission of 7460-1 forms for each potential wind turbine location. Other Air Force and DOD radar groups and the review clearinghouse should also be approached early to start discussions on the project potential and specifics, to ensure that the rest of the project development and RFP processes are not unnecessarily stalled later in the project cycle.

When doing the submission to FAA, be sure to list a wind turbine tip height that has at least a few feet of buffer higher than the highest tip height turbine expected to be utilized for the project. FAA's review process has recently become more cumbersome for micrositing and minor tip height adjustments, so if all potential layout and turbine options are not anticipated and submitted for review, you may find yourself having to start a new review all over and cause significant project development delays.

While this potential project appears close enough to the three radar systems that it may cause objections, it is far enough away from the ATC and weather radars that their operations/missions should not be seriously affected. Also being a relatively small wind project should keep impacts minimal. There is already an existing small wind farm project just to the West-Northwest of the Great Falls airport, which is closer to the three radar systems than this potential project. Therefore any potential impacts should be easier to estimate by project reviewers since existing impacts should already be characterized. The impact review for the ARSR-4 LRR radar will likely be more of a concern for the project, however the direction of the potential windfarm site with respect to the LRR may help reduce any issues since the main observation angles should typically be in opposite directions from the AFB. See figures 3 and 4 below for location of the potential wind farm layout in relation to the radar systems in the area.

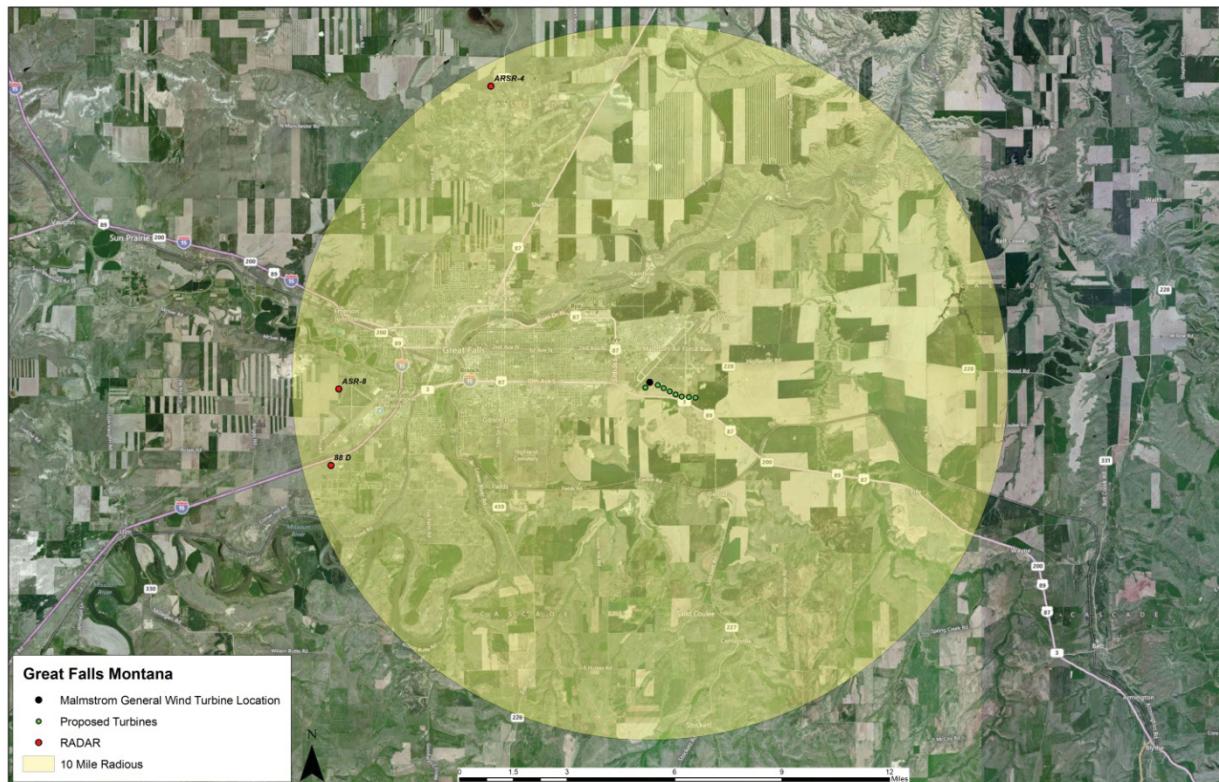


Figure 3: Potential Windfarm Layout In Relation to Area Radar Systems

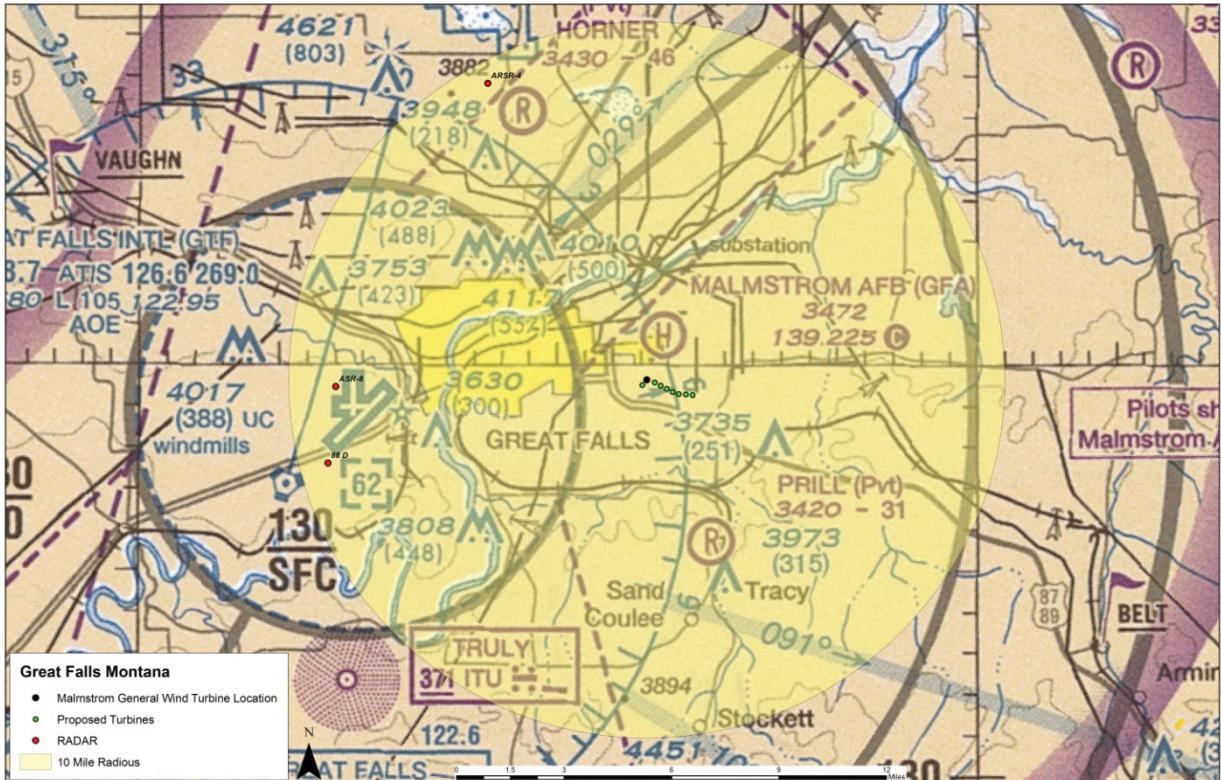


Figure 4: FAA Map of the Area Around Potential Windfarm

Initiation of utility interconnect processes and studies of potential electrical interconnect/design issues should also start as soon as possible in the project development process. The substation serving the Base is less complex and smaller in capacity compared to typical substations serving a Base and loads of this size. The high side of the transformers are only protected with fuses instead of breakers, so project interconnect may require additional upgrades above average expectations. New line routing or upgrades to existing lines for the distribution between the windfarm location and the substation will also require early conceptual design work to allow for adequate mission review and design adjustment times.

4. Conclusion

Since both this study and a prior study have indicated that the wind resource has potential to be over 32% net capacity factor (close to 38% gross, but will vary dependent on the turbine model and hub height studied) and over 8.5% rate of return on the investment (PTC model), a commercial PPA wind farm project on Malmstrom AFB appears feasible.

As seen in our proforma analyses, the rate of return on this project can be highly variable, depending on the type of tax credit incentives available at the time of project implementation. However, with the relatively high energy pricing (and low demand rates) in Montana relative to other areas in the region, and with potential for better financing rates on a long-term government PPA versus the 6% interest rate modeled, any of the project sizes modeled could be feasible with competitive pricing, business models and value engineering.

Opportunities for excess energy and REC sales to other utilities or federal sites/Bases in the region are also discussed in section 2 of the report body. This facet of the project development moving forward will likely be critical to the economic viability of the wind project. If rates can be achieved close to the assumptions used, a wind project at Malmstrom AFB should be economically feasible.

Appendix A: Wind Data Summaries

Site Information:

Project: Air Force Wind
 Location: Malmstrom AFB, G.F., MT
 Elevation: 1078

Sensor Information:

- | | | | |
|---|-------------------|----|------------------|
| 1 | NRG #40 Anem. m/s | 7 | #200P Wind Vane |
| 2 | NRG #40 Anem. m/s | 8 | #200P Wind Vane |
| 3 | NRG #40 Anem. m/s | 9 | NRG #110S Temp C |
| 4 | No SCM Installed | 10 | No SCM Installed |
| 5 | No SCM Installed | 11 | No SCM Installed |
| 6 | No SCM Installed | 12 | No SCM Installed |

8/1/2010 to 7/31/2011

Summary Report
 SITE 9989
 Malmstrom AFB

Channel	1	2	3	4	5	6	7	8	9
Height	34 m	34 m	20 m	-----	-----	33 m	0	2 m	-----
Units	m/s	m/s	m/s	-----	-----	deg	deg	C	-----
Intervals with Valid Data	51994	51994	51994	51994	51994	52560	52560	52560	52560
Average Filtered Data	5.91	5.93	5.5	-----	-----	246.01	0	6.42	-----
Average for All Data	5.86	5.87	5.45	-----	-----	246.01	0	6.42	-----
Min Interval Average	0.3	0.4	0.3	-----	-----	-----	-----	-30.8	-----
Date of Min Interval	11/22/2010	11/22/2010	11/22/2010	11/22/2010	11/22/2010	11/22/2010	11/22/2010	11/22/2010	2/25/2011
Time of Min Interval	12:40:00 AM	6:50:00 AM							
Max Interval Average	24	24.1	22.8	-----	-----	-----	-----	38.6	-----
Date of Max Interval	8/6/2010	8/6/2010	8/6/2010	8/6/2010	8/6/2010	8/6/2010	8/6/2010	8/6/2010	7/18/2011
Time of Max Interval	6:00:00 PM	2:30:00 PM							
Average Interval SD	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66	0.66
Min Sample	0.3	0.4	0.3	-----	-----	8.06	0	0.06	-----
Date of Min Sample	11/22/2010	11/22/2010	11/22/2010	11/22/2010	11/22/2010	11/22/2010	11/22/2010	11/22/2010	2/25/2011
Time of Min Sample	12:40:00 AM	6:50:00 AM							
Max Sample	31.9	31.8	31	-----	-----	-----	-----	38.9	-----
Date of Max Sample	8/6/2010	8/6/2010	7/25/2011	7/25/2011	7/25/2011	7/25/2011	7/25/2011	7/25/2011	7/18/2011
Time of Max Sample	6:00:00 PM	6:00:00 PM	4:00:00 PM	2:30:00 PM					
Average Interval TI	0.15	0.14	0.15	-----	-----	-----	-----	-----	-----
Wind Speed Direction	SW	N	SW	SW	SW	SW	SW	SW	SW

8/1/2010 to 7/31/2011

Wind Rose Ch 1,7

SITE 9989

Malmstrom AFB

Site Information:

Project: Air Force Wind
Location: Malmstrom AFB, G.F., M
Elevation: 1078

Anemometer on channel 1:

NRG #40 Anem. m/s
Height: 34 m
Serial #: SN:90190

Vane on channel 7:

#200P Wind Vane
Height: 33 m
Serial #: SN:

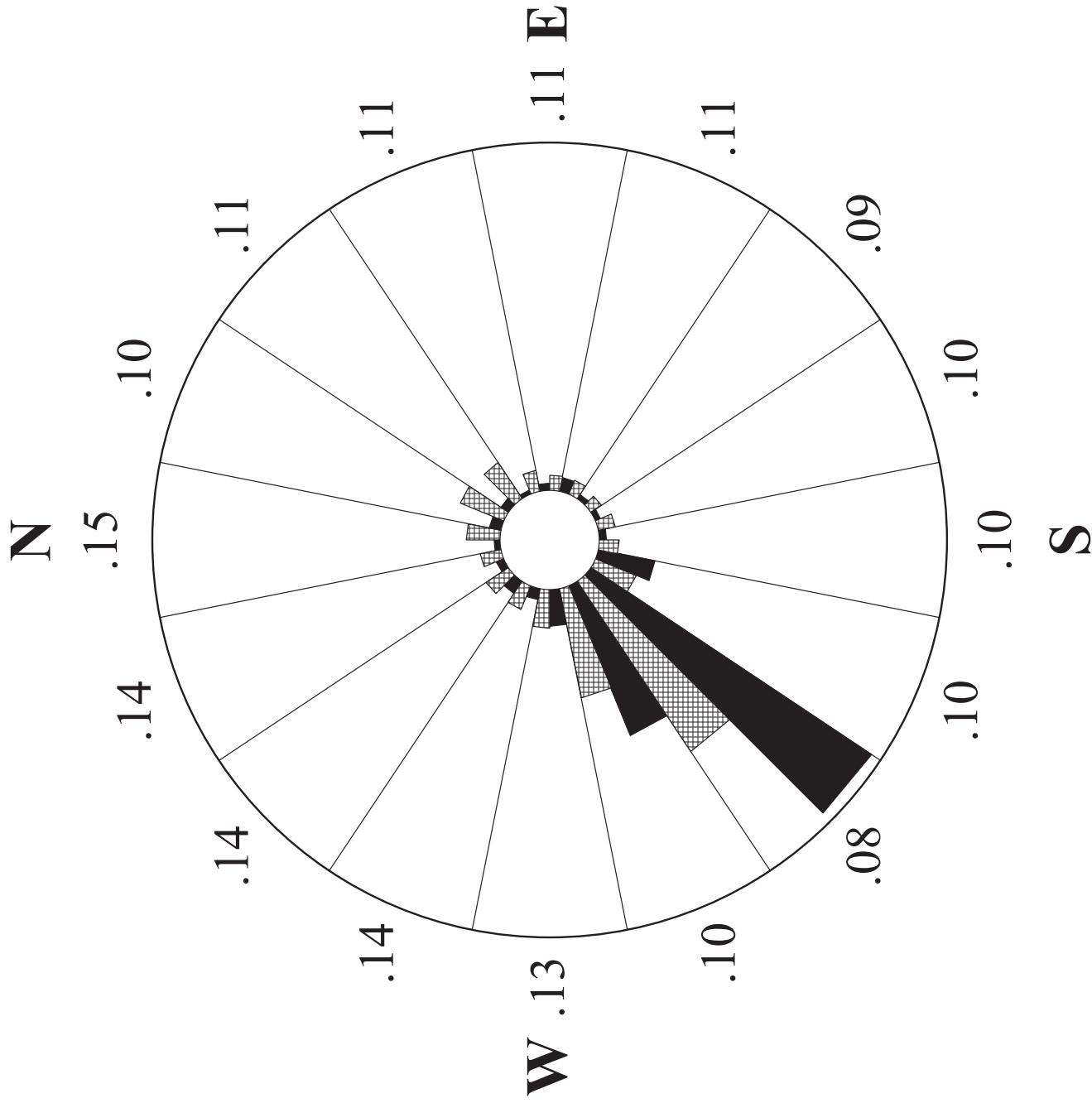
Outer Numbers are Average TIs
for speeds greater than 4.5 m/s

Inner Circle = 0%

Outer Circle = 50%

 Percent of Total Wind Energy

 Percent of Total Time



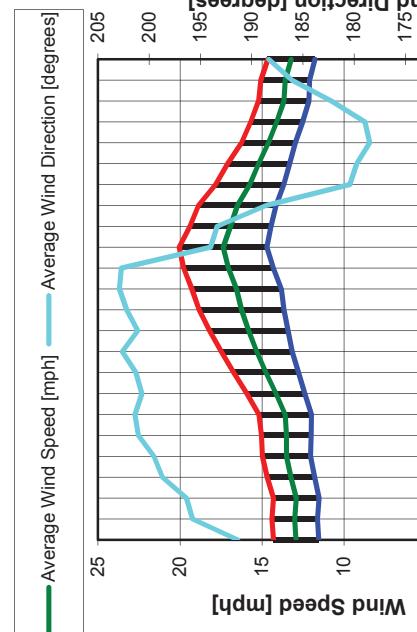
Wind Analysis Summary Report

Site Number

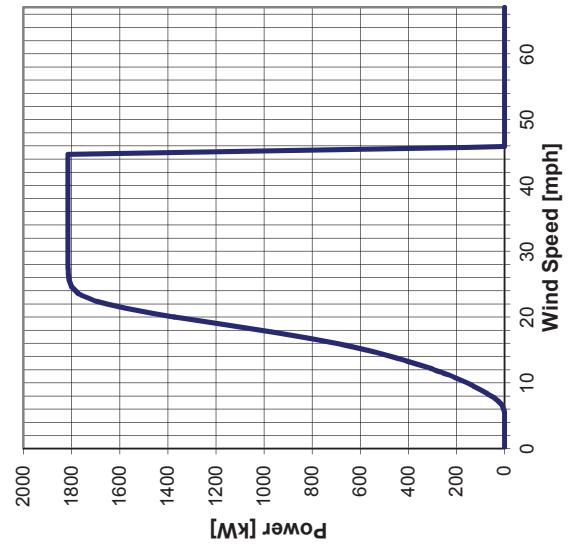
9989

Site Information	
Project:	Malmstrom AFB
Location:	Malmstrom AFB
Site Elevation:	3537 ft
Averaging Time:	10 min
Date Range:	8/1/10 0:00-7/31/11 23:50

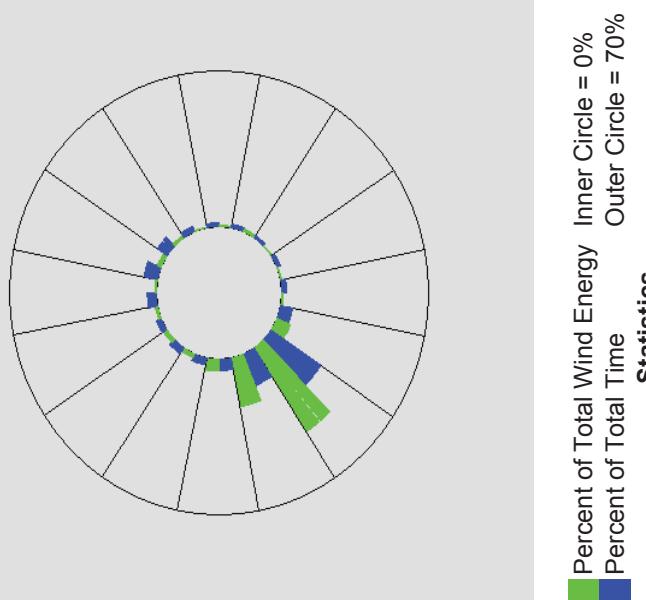
Diurnal Wind Speed Pattern



V100 1.8MW, 100m rotor (1.10 kg/m3)



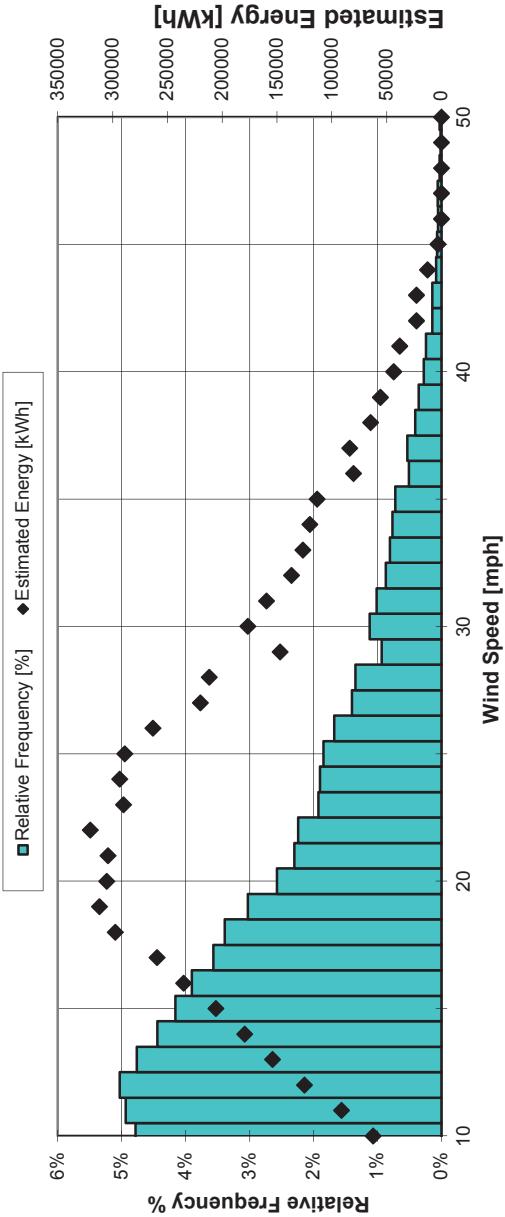
Wind Rose Graph



Statistics

Days Used in Calculation:	361.08
Hours Used in Calculation:	8665.83
Gust Speed:	60.5205373802764 mph
Calculated Air Density:	1.097 kg/m ³
Average Wind Speed:	14.89 mph
Average Wind Direction:	194 degrees
Capacity Factor:	0.38
Turbine Manufacturer:	Vestas
Turbine Model:	V100 1.8MW, 100m rotor (1.10 kg/m ³)
Turbine Rating:	1800 kW
Estimated Annual Production:	5957312 kWh/Year
Scaled Est. Annual Production:	5986270 kWh/Year
Scaled Air Density:	1.089 kg/m ³
Scaled Capacity Factor:	0.38
Scaled Est. Annual Production:	37.96%

Frequency Distribution Graph



Appendix B: WASP Model Energy Production Estimates

'Wind farm 1' wind farm

Produced on 11/18/2012 at 3:08:05 PM by licenced user: INL, USA using WAsP version: 8.03.0037.

Summary results

Parameter	Total	Average	Minimum	Maximum
Net AEP [GWh]	46.378	5.797	5.623	6.146
Gross AEP [GWh]	47.754	5.969	5.818	6.178
Wake loss [%]	2.88	-	-	-

Site results

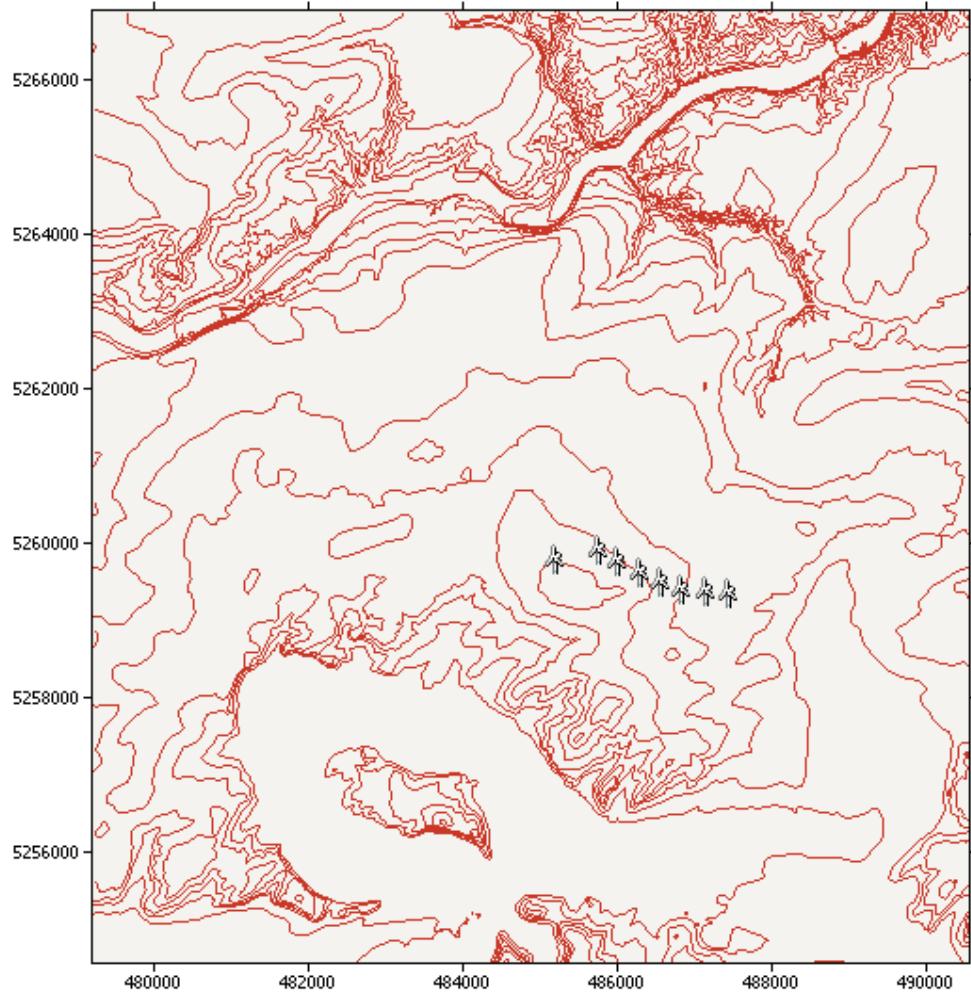
Site	Location [m]	Turbine	Elevation [m a.s.l.]	Height [m a.g.l.]	Net AEP [GWh]	Wake loss [%]
Turbine site 1	(487429.0,5 259188.0)	Vestas V100 (1.8 MW), 1.10kg/m3	1054	80	5.623	3.35
Turbine site 2	(487121.0,5 259216.0)	Vestas V100 (1.8 MW), 1.10kg/m3	1057	80	5.630	3.66
Turbine site 3	(486803.0,5 259242.0)	Vestas V100 (1.8 MW), 1.10kg/m3	1060	80	5.658	3.32
Turbine site 4	(486533.0,5 259334.0)	Vestas V100 (1.8 MW), 1.10kg/m3	1066	80	5.756	3.19
Turbine site 5	(486265.0,5 259478.0)	Vestas V100 (1.8 MW), 1.10kg/m3	1071	80	5.817	3.15
Turbine site 6	(485995.0,5 259618.0)	Vestas V100 (1.8 MW), 1.10kg/m3	1074	80	5.852	3.17
Turbine site 7	(485729.0,5 259758.0)	Vestas V100 (1.8 MW), 1.10kg/m3	1075	80	5.897	2.79
Turbine site 8	(485169.0,5 259641.0)	Vestas V100 (1.8 MW), 1.10kg/m3	1080	80	6.146	0.52

Site wind climates

Site	Location [m]	Height [m a.g.l.]	A [m/s]	k	U [m/s]	E [W/m ²]	RIX [%]
Turbine site 1	(487429.0,525918 8.0)	80	7.3	1.81	6.46	350	0.0
Turbine site 2	(487121.0,525921 6.0)	80	7.3	1.81	6.48	353	0.0
Turbine site 3	(486803.0,525924 2.0)	80	7.3	1.81	6.49	355	0.0
Turbine site 4	(486533.0,525933 4.0)	80	7.4	1.81	6.56	367	0.0

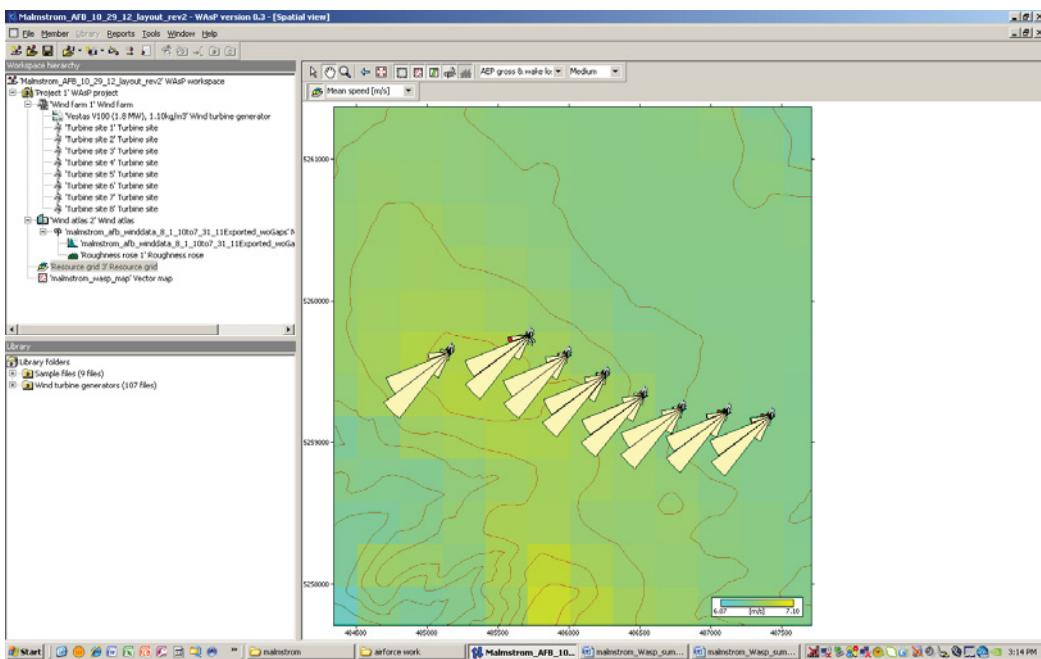
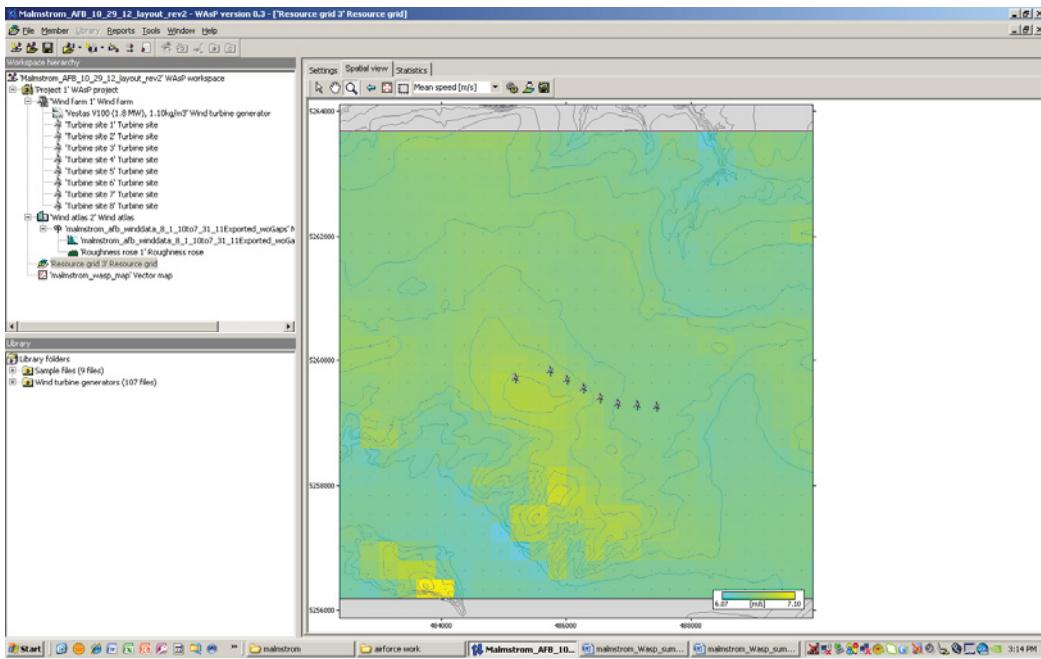
Turbine site 5	(486265.0,525947 8.0)	80	7.4	1.81	6.60	374	0.0
Turbine site 6	(485995.0,525961 8.0)	80	7.5	1.81	6.63	380	0.0
Turbine site 7	(485729.0,525975 8.0)	80	7.5	1.80	6.65	384	0.0
Turbine site 8	(485169.0,525964 1.0)	80	7.6	1.80	6.74	400	0.0

The wind farm lies in a map called 'malmstrom_wasp_map'.



The wind farm is in a project called 'Project 1'

A wind atlas called 'Wind atlas 2' was used to calculate the predicted wind climates



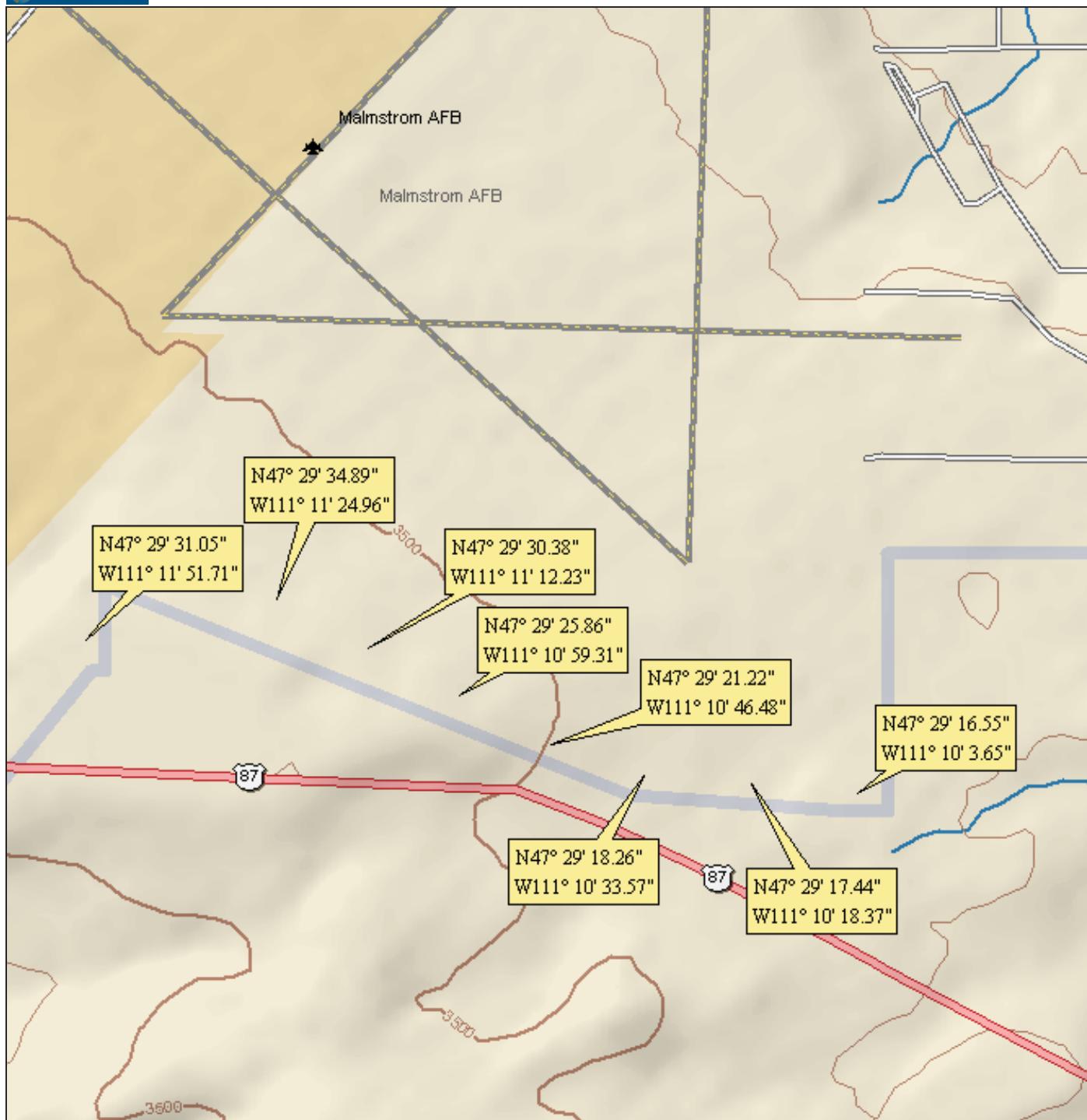
Estimated losses for Malmstrom AFB wind farm layout:

- Electrical losses are estimated to be 2%
- control (and BOP/grid outages/other) losses at 1%
- wind sector management at 0%
- turbine availability at 4%
- turbulence and high wind hysteresis at 1%
- power curve, wind speed and shear accuracy deviations at 2%
- blade contamination/degradation and icing losses at 1%
- other meteorology (lightning, cold or hot weather, etc.) at 0.5%
- and potential wind shear reduction effects above hub height at 0.5%.

Total losses from Wasp gross energy production estimate: 12% + 3% wake losses = 15%

Total losses from Wasp net energy production estimate: 12%, as this number already includes wake losses.

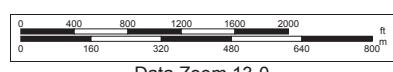
Appendix C: Maps of Proposed Turbine Coordinates



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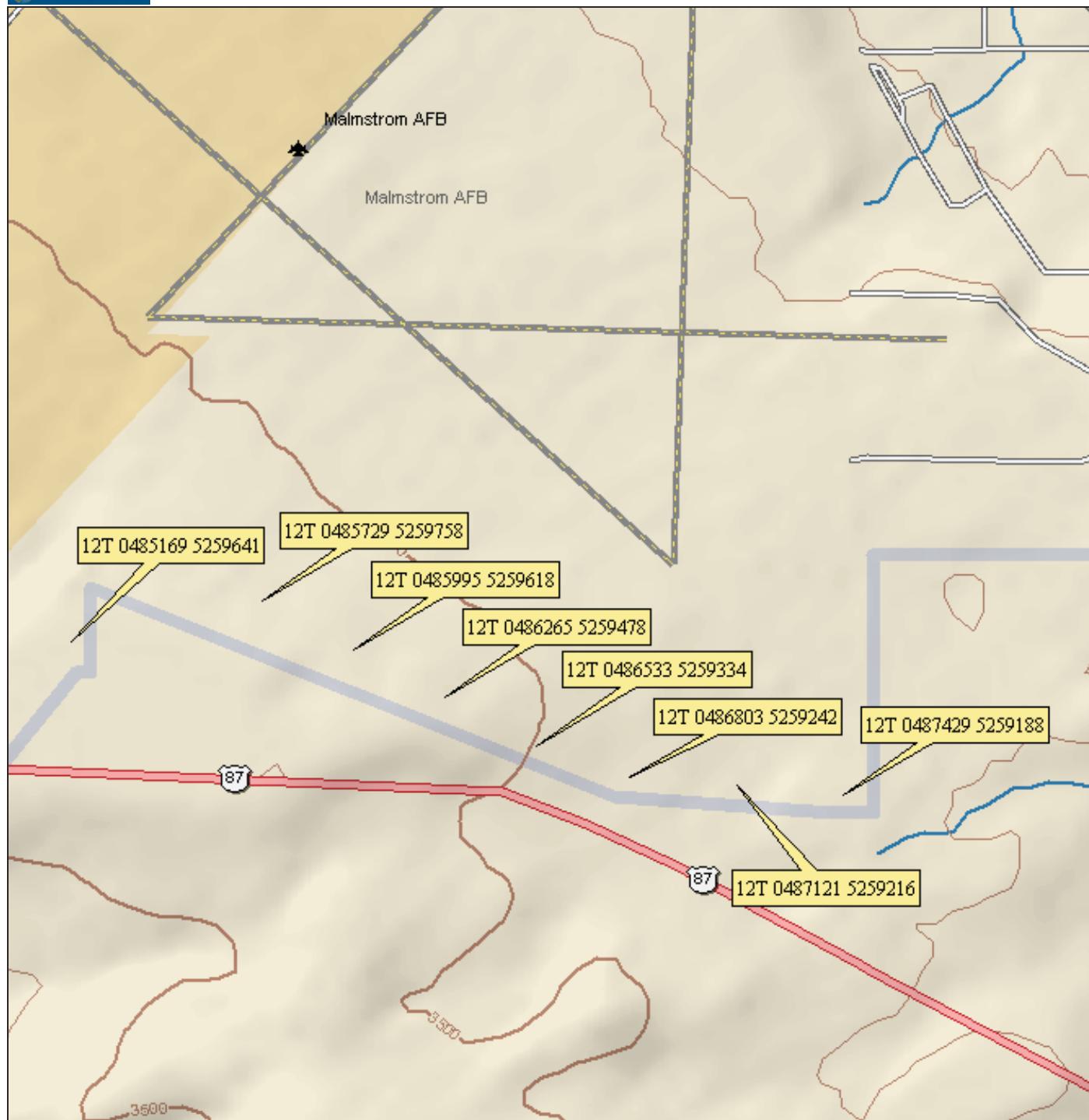
www.delorme.com



WGS84 Coordinate System, Latitude and Longitude

WGS84 Coordinate System, Latitude and Longitude

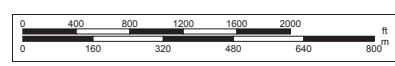




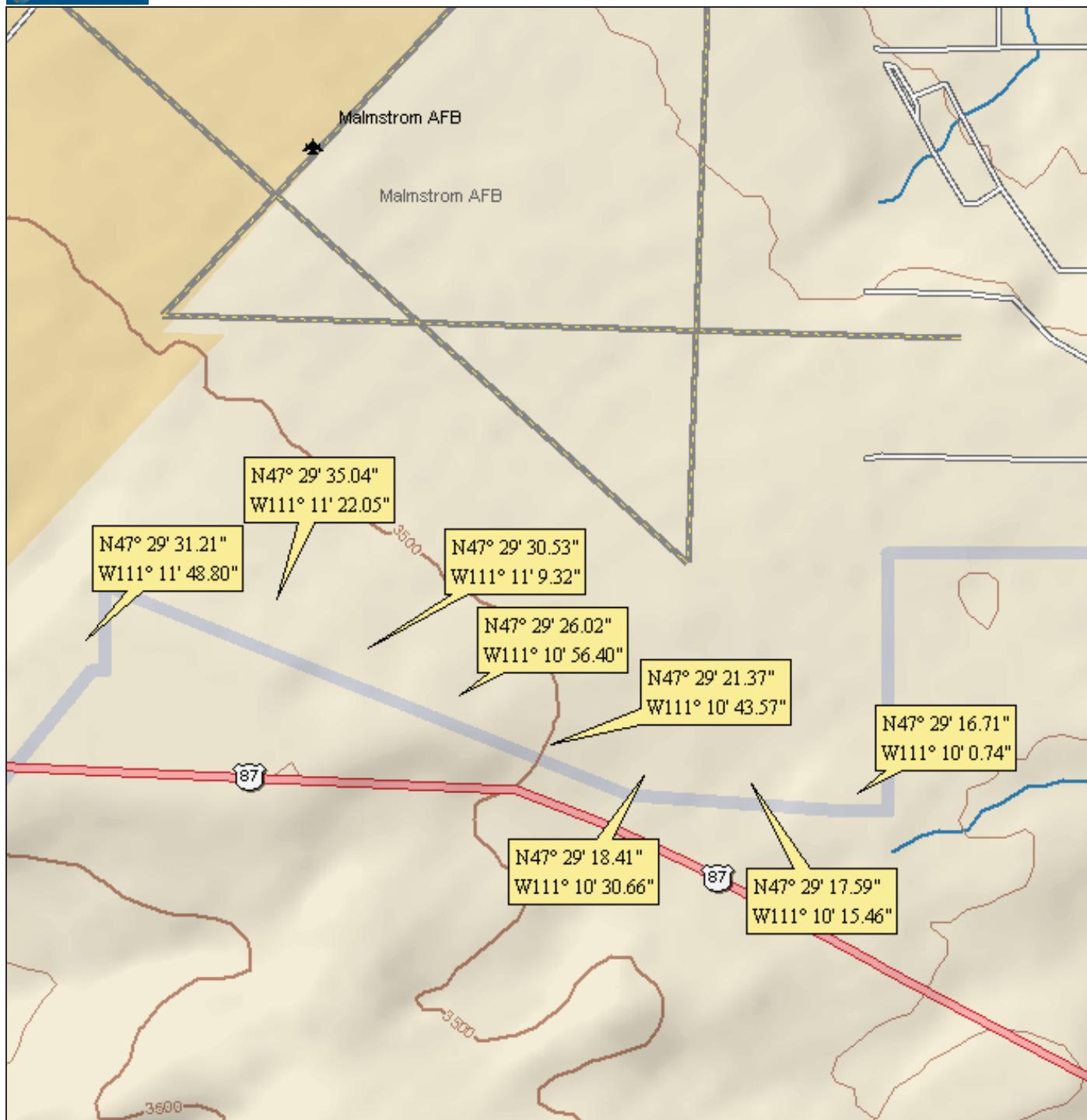
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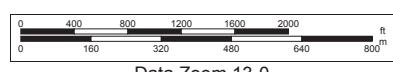
NAD27 Coordinate System, UTM



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NAD27 Coordinate System, Latitude and Longitude

Appendix D: Proforma Common Base Info

MALMSTROM AFB - Multiple Turbine Comparison

8 TURBINES		6 TURBINES		4 TURBINES	
Estimated Cost:	\$ 37,500,000 <th>Estimated Cost:</th> <td>\$ 29,500,000<th>Estimated Cost:</th><td>\$ 21,000,000</td></td>	Estimated Cost:	\$ 29,500,000 <th>Estimated Cost:</th> <td>\$ 21,000,000</td>	Estimated Cost:	\$ 21,000,000
Cost per kW:	\$ 2,604 <th>Cost per kW:</th> <td>\$ 2,731<th>Cost per kW:</th><td>\$ 2,917</td></td>	Cost per kW:	\$ 2,731 <th>Cost per kW:</th> <td>\$ 2,917</td>	Cost per kW:	\$ 2,917
Peak kW	Annual kWh	Peak kW	Annual kWh	Peak kW	Annual kWh
	14,400		10,800		7,200
	47,365,680		35,524,260		23,682,840
Weibull energy production for one 1.8MW V100, in kWh, gross		Estimated actual percent export from Weibull (for 8 turbines)		Estimated actual percent export from Weibull (for 6 turbines)	
Aug-10	4.9	10.96	374,860	28.3%	26.9%
Sep-10	5.3	11.86	417,545	30.8%	29.3%
Oct-10	5.6	12.53	471,408	35.20%	32.3%
Nov-10	6	13.42	504,029	38.89%	33.9%
Dec-10	6	13.42	520,830	38.89%	33.9%
Jan-11	7.3	16.33	647,731	10.94%	48.37%
Feb-11	7.3	16.33	585,047	9.88%	48.37%
Mar-11	5.5	12.30	457,940	7.73%	34.20%
Apr-11	6.5	14.54	557,654	9.42%	43.03%
May-11	5.9	13.20	509,034	8.60%	38.01%
Jun-11	5.5	12.30	443,168	7.49%	34.20%
Jul-11	5.3	11.86	431,464	7.29%	32.22%
Total kWh, gross Each Turbine	5,920,710		Total estimated annual export	31.6%	18.7%
			or	31.92%	4.53%
			or	19.00%	5.02%
Annual ave. export from Weibull:		33.60%		Weibull Export: 20.00%	
Energy kWh:	15,914,868	Energy kWh:	7,104,852	Weibull Export:	5.28%
Annual ave. export from 10min spreadsheet:		33.98%		Energy kWh: 1,250,454	
Percent Wind Energy Generated Used on Base:	66.40%	On Base Use:	80.00%	On Base Use:	94.72%
Total kWh from Wind Used on Base:	31,450,812		28,419,408		22,432,386
Percent of Base Total Generated with Wind:	95%		57%		45%
					47%

Note: This table simplifies the complicated scenario of expected generation that can be used on site versus exported. The model is based on an average assumption of the base load for Malmstrom at 6MW so the peak output from 8 turbines is more than twice the base load and the peak output from 4 turbines is 7.2MW and is close at least in size to the base power loading. These scenarios are based on Monthly generation estimates and the comparison of the monthly wind speeds with the Weibull power generation expectations and the resulting monthly export percentages. The actual base energy usage profile peak load varies from 6400 kW to 9500 kW, but the average load is about 5700 kW. The base usage is not very dynamic so the assumption of 6000 as an average may be conservative. Due to the dynamic nature of wind generation and possible power consumption, all of this is an approximation. The good news is that the wind resource at Malmstrom is quite steady compared to other sites and the base energy usage is also very steady compared to other industrial energy loads so these assumptions are more appropriate for this particular site and application than they might be with others.

With more years of wind data, it would justify taking the export model to a finer resolution with a monthly profile, but in the real world application the percent of export will depend on the actual wind generation and energy usage on 15 minute increments every day of the year. Thus, each year of the project's life, the percent of energy used on base versus exported will be slightly different.

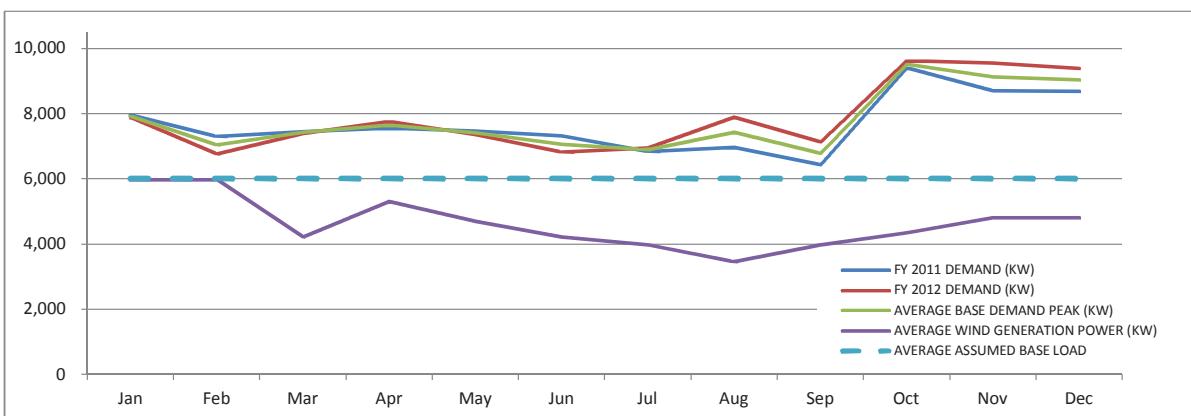
Note that in this model the 8 Turbine installation exports about 34% of the base kWh, even though on a net generation standpoint the project generates about 95% of the total kWh the base uses. With 4 turbines the effect of exported energy lessens dramatically.

14.4 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines; Base Energy Use and Demand Energy Load

8 TURBINES

	FY 2011 ENERGY kWH	FY 2012 ENERGY kWH	AVERAGE BASE ENERGY kWH	BILLING DEMAND (KW)	BILLING DEMAND (KW)	AVERAGE BASE DEMAND PEAK (KW)	AVERAGE WIND GENERATION POWER (KW)
Jan	4,583,229	4,247,012	4,415,121	7,957	7,899	7,928	5,967
Feb	4,678,259	4,466,892	4,572,576	7,303	6,759	7,031	5,967
Mar	3,964,772	3,817,179	3,890,976	7,452	7,387	7,420	4,218
Apr	4,064,439	4,062,625	4,063,532	7,556	7,757	7,657	5,308
May	3,929,840	4,257,064	4,093,452	7,465	7,348	7,407	4,689
Jun	3,645,417	3,475,250	3,560,334	7,322	6,811	7,067	4,218
Jul	4,165,681	4,477,366	4,321,524	6,843	6,940	6,892	3,975
Aug	4,702,614	4,742,785	4,722,699	6,960	7,899	7,430	3,453
Sep	3,848,398	4,180,122	4,014,260	6,422	7,135	6,779	3,975
Oct	3,868,309	3,908,736	3,888,522	9,409	9,623	9,516	4,343
Nov	4,454,649	4,309,283	4,381,966	8,696	9,551	9,124	4,798
Dec	4,128,734	4,222,530	4,175,632	8,690	9,390	9,040	4,798
TOTAL	50,034,341	50,166,844	50,100,592	AVERAGE: 7,673	7,875	7,774	4,642

Average
Hourly
Demand: 5,712 5,727 5,719



NOTE: This chart helps provide scale of the Power (Peak Demand NOT Average Demand) from the utility bills for the Base. Peak Demand usage by the Base and the relative average Power generated by the Wind Project are shown together. For modeling purposes at this time the average Demand assumption for the base is at 6MW though the monthly peak load ranges from 6,700 kW to 9,500 kW.



Malmstrom Wind Project; 1.80-MW Wind Turbines; BASE ENERGY BILLING BREAKDOWN

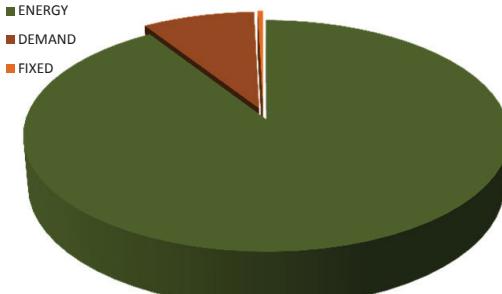
BLENDED BILLING 2011:2012	BASE GS-2 Supply ENERGY	ENERGY CHARGES				SUM of TOTAL ENERGY CHARGE	\$/KWH	
		GS-2 Supply ENERGY	GS-2 Supply Deferred Cost	GS-2 CTC-QF	GS-2 USBC			
Month	(kWh)	Cost (\$)	Cost (\$)	Cost (\$)	Cost (\$)			AVERAGES
Oct	3,888,522	\$215,702	-\$1,200	\$13,083	\$3,500	\$231,085	0.059	89.1%
Nov	4,381,966	\$241,768	-\$1,323	\$14,750	\$3,944	\$259,139	0.059	91.2%
Dec	4,175,632	\$229,493	-\$1,296	\$14,048	\$3,758	\$246,002	0.059	90.3%
Jan	4,415,121	\$254,026	-\$1,304	\$14,868	\$3,974	\$271,564	0.062	91.4%
Feb	4,572,576	\$269,860	-\$1,371	\$15,394	\$4,115	\$287,998	0.063	92.4%
Mar	3,890,976	\$229,444	-\$1,172	\$13,098	\$3,502	\$244,872	0.063	91.5%
Apr	4,063,532	\$238,890	-\$1,247	\$13,674	\$3,657	\$254,973	0.063	92.0%
May	4,093,452	\$237,261	-\$1,307	\$13,763	\$3,684	\$253,402	0.062	91.4%
Jun	3,560,334	\$205,202	-\$1,067	\$11,986	\$3,204	\$219,326	0.062	90.9%
Jul	4,321,524	\$251,251	-\$1,311	\$14,260	\$3,889	\$268,090	0.062	89.7%
Aug	4,722,699	\$275,801	\$366	\$15,440	\$4,250	\$295,858	0.063	91.0%
Sep	4,014,260	\$234,921	\$1,291	\$13,120	\$3,613	\$252,945	0.063	89.6%
TOTAL	50,100,592	\$2,883,619	-\$10,941	\$167,487	\$45,091	\$3,085,256	0.062	90.9%

NOTE: This sheet represents the average of actual utility billing charges based on Energy kWh and Demand kW. The charges are broken down to the blended rate on a total \$ per kWh basis for both categories and also the fixed charges.

The breakdown shows that a predominant majority of the charges are based on energy instead of demand which is a benefit for the offsetting effect of on-site energy generation from the wind energy contribution. Each kWh of production should directly reduce the energy part of the bill at the billing \$/kWh charged by the utility. It should be noted that increased wind production in the Jan-April time frame would offset a higher rate than Oct-Dec, but the model uses averages at this time for all calculations.

POWER DEMAND CHARGE				
GS-2 Transmission Demand	GS-2 Transmission Demand	GS-2 Distribution Demand	SUM of TOTAL DEMAND CHARGE	
KW	Cost (\$)	Cost (\$)		\$/KWH
7,928	\$18,167	\$8,553	\$26,720	\$0.007 10.4%
7,031	\$16,151	\$7,604	\$23,755	\$0.005 8.4%
7,420	\$17,002	\$8,005	\$25,007	\$0.006 9.2%
7,657	\$16,547	\$7,731	\$24,278	\$0.006 8.2%
7,407	\$15,301	\$7,204	\$22,504	\$0.005 7.2%
7,067	\$14,596	\$6,872	\$21,467	\$0.006 8.0%
6,892	\$14,238	\$6,703	\$20,941	\$0.005 7.6%
7,430	\$15,355	\$7,229	\$22,584	\$0.006 8.1%
6,779	\$14,153	\$6,663	\$20,816	\$0.006 8.6%
9,516	\$19,989	\$9,420	\$29,409	\$0.007 9.9%
9,124	\$19,184	\$9,032	\$28,216	\$0.006 8.7%
9,040	\$19,010	\$8,950	\$27,961	\$0.007 9.9%
7,774	\$199,693	\$93,966	\$293,659	0.006 8.7%

	Ave Annual \$	\$/kWh Ave	% of Charges
ENERGY	\$3,085,256	\$0.062	90.9%
DEMAND	\$293,659	\$0.006	8.7%
FIXED	\$14,430.00	\$0.0003	0.4%
TOTAL	\$3,393,344	\$0.068	100.0%



GS-2 Distribution Service Charge (\$)	FIXED CHARGE		TOTAL CHARGES BLENDED RATE	
		\$/KWH	Total Base Electrical Charges	Base BLENDED \$/KWH
\$1,223.95	\$0.0003	0.5%	\$259,029	\$0.067
\$1,223.95	\$0.0003	0.5%	\$284,118	\$0.065
\$1,223.95	\$0.0003	0.5%	\$272,233	\$0.065
\$1,195.35	\$0.0003	0.4%	\$297,037	\$0.067
\$1,195.35	\$0.0003	0.4%	\$311,698	\$0.068
\$1,195.35	\$0.0003	0.4%	\$267,535	\$0.069
\$1,195.35	\$0.0003	0.4%	\$277,110	\$0.068
\$1,195.35	\$0.0003	0.4%	\$277,181	\$0.068
\$1,195.35	\$0.0003	0.4%	\$241,338	\$0.068
\$1,195.35	\$0.0003	0.4%	\$298,694	\$0.069
\$1,195.35	\$0.0003	0.4%	\$325,269	\$0.069
\$14,430.00	\$0.0003	0.4%	\$282,101	\$0.070
AVERAGES			\$3,393,344	\$ 0.0677



ACCT# 0100634-5

FROM BILLING		BASE	ENERGY CHARGES			
FY 2011	GS-2 Supply ENERGY (kWh)	GS-2 Supply ENERGY Cost (\$)	GS-2 Supply Deferred Cost Cost (\$)	GS-2 CTC-QF Cost (\$)	GS-2 USBC Cost (\$)	SUM OF TOTAL ENERGY CHARGE \$/KWH
Month						
Oct	3,868,309	\$203,222	\$0	\$13,284	\$3,481	\$219,987 0.057
Nov	4,454,649	\$233,342	\$0	\$4,009	\$252,648	88% 90%
Dec	4,128,734	\$213,806	\$0	\$14,178	\$3,716	90% 89%
Jan	4,583,229	\$260,529	\$0	\$15,739	\$4,125	90% 92%
Feb	4,678,259	\$279,096	\$0	\$16,065	\$4,210	93% 93%
Mar	3,964,772	\$237,350	\$0	\$13,615	\$3,568	92% 92%
Apr	4,064,439	\$242,552	\$0	\$13,957	\$3,658	92% 92%
May	3,929,840	\$231,179	\$0	\$13,495	\$3,537	92% 92%
Jun	3,645,417	\$212,469	\$705	\$12,518	\$3,281	92% 92%
Jul	4,165,881	\$243,161	-\$1,705	\$13,922	\$3,149	89% 89%
Aug	4,702,614	\$275,716	-\$2,887	\$15,500	\$4,232	91% 91%
Sep	3,848,398	\$225,520	-\$2,363	\$12,684	\$3,464	89% 89%
TOTAL	50,034,341	\$2,697,941	-\$6,935	\$170,255	\$45,031	\$3,066,271 0.061 91% AVERAGES

ACCT# 0100634-5

FROM BILLING		BASE	ENERGY CHARGES			
FY 2012	GS-2 Supply ENERGY (kWh)	GS-2 Supply ENERGY Cost (\$)	GS-2 Supply Deferred Cost Cost (\$)	GS-2 CTC-QF Cost (\$)	GS-2 USBC Cost (\$)	SUM OF TOTAL ENERGY CHARGE \$/KWH
Month						
Oct	3,908,736	\$228,183	-\$2,400	\$12,883	\$3,518	\$242,184 0.062
Nov	4,309,283	\$250,194	\$2,646	\$14,203	\$3,878	\$265,530 0.062
Dec	4,222,530	\$245,180	-\$2,593	\$13,917	\$3,800	\$260,305 0.062
Jan	4,247,012	\$247,523	\$2,608	\$13,998	\$3,822	\$262,736 0.062
Feb	4,466,892	\$260,625	-\$2,743	\$14,723	\$4,020	\$276,525 0.062
Mar	3,817,179	\$221,538	-\$2,344	\$12,581	\$3,335	\$235,211 0.062
Apr	4,062,625	\$235,227	-\$2,484	\$13,390	\$3,656	\$249,779 0.061
May	4,257,064	\$243,343	-\$2,614	\$14,031	\$3,831	\$258,592 0.061
Jun	3,475,250	\$197,936	-\$2,134	\$11,454	\$3,128	\$210,384 0.061
Jul	4,477,366	\$279,341	-\$916	\$14,599	\$4,030	\$277,053 0.062
Aug	4,742,785	\$275,886	\$3,620	\$15,381	\$4,269	\$296,155 0.063
Sep	4,180,122	\$244,322	\$4,945	\$13,556	\$3,762	\$266,385 0.064
TOTAL	50,166,844	\$2,909,298	-\$14,926	\$164,719	\$45,150	\$3,104,240 0.062 91% AVERAGES

This sheet takes the two actual years of utility billing charges for the base from 2011 and 2012 broken up by individual charge categories.

Each category that bills on a per kwh charge rate is an energy charge and each billing item that is billed on a per kW basis is a demand charge.

A wind energy generation project on site will reduce the total kWh energy consumption but will not affect the demand charges or offset fixed charges such as the service distribution charge.

All of the charges are converted to a basic cost per kWh which is referred to as the total blended rate.

In 2011 that blended rate was 6.75 cents per kWh and in 2012 it was 6.79 cents per kWh...pretty flat. The actual monthly energy charge is more significant and appears to be increasing but varied through 2011 from 5.7 cents per kWh to 6.4 cents per kWh. That is a 12% difference in costs over that time frame. In 2012 the energy charge varied from a low of 6.1 cents per kWh to a high of 6.4 cents per kWh.

Since the energy usage and rates were so very similar, the model creates an average blended rate from the base utility billing.

This would be a good candidate for on-site energy since most of the bill is based on kWh energy consumption. Also, the energy usage on the base is incredibly steady from their operations in these two years of evaluations.

ACCT# 0100634-5

FROM BILLING		BASE	ENERGY CHARGES			
FY 2012	GS-2 Supply ENERGY (kWh)	GS-2 Supply ENERGY Cost (\$)	GS-2 Supply Deferred Cost Cost (\$)	GS-2 CTC-QF Cost (\$)	GS-2 USBC Cost (\$)	SUM OF TOTAL ENERGY CHARGE \$/KWH
Month						
Oct	3,888,522	215,702	(1,200)	13,083	3,500	231,085 0.059
Nov	4,381,966	241,768	(1,323)	14,750	3,944	259,139 0.059
Dec	4,175,632	229,493	(1,296)	14,048	3,758	246,002 0.059
Jan	4,415,121	254,026	(1,304)	14,868	3,974	271,564 0.062
Feb	4,572,576	269,360	(1,371)	15,394	4,115	287,998 0.063
Mar	3,890,976	229,444	(1,172)	13,098	3,502	244,872 0.063
Apr	4,063,532	238,390	(1,247)	13,674	3,657	254,973 0.063
May	4,093,452	237,261	(1,307)	13,763	3,684	253,402 0.062
Jun	3,560,334	205,202	(1,067)	11,986	3,204	219,326 0.062
Jul	4,321,524	251,251	(1,311)	14,260	3,889	268,090 0.062
Aug	4,722,699	275,801	366	15,440	4,250	285,858 0.063
Sep	4,014,260	234,921	1,291	13,120	3,613	252,945 0.063
TOTAL	50,100,592	\$2,883,619	-\$10,941	\$167,487	\$45,091	\$3,085,256 0.062 91% AVERAGES

BLENDED BILLING 2011-2012		BASE	ENERGY CHARGES			
FY 2012	GS-2 Supply ENERGY (kWh)	GS-2 Supply ENERGY Cost (\$)	GS-2 Supply Deferred Cost Cost (\$)	GS-2 CTC-QF Cost (\$)	GS-2 USBC Cost (\$)	SUM OF TOTAL ENERGY CHARGE \$/KWH
Month						
Oct	3,888,522	215,702	(1,200)	13,083	3,500	231,085 0.059
Nov	4,381,966	241,768	(1,323)	14,750	3,944	259,139 0.059
Dec	4,175,632	229,493	(1,296)	14,048	3,758	246,002 0.059
Jan	4,415,121	254,026	(1,304)	14,868	3,974	271,564 0.062
Feb	4,572,576	269,360	(1,371)	15,394	4,115	287,998 0.063
Mar	3,890,976	229,444	(1,172)	13,098	3,502	244,872 0.063
Apr	4,063,532	238,390	(1,247)	13,674	3,657	254,973 0.063
May	4,093,452	237,261	(1,307)	13,763	3,684	253,402 0.062
Jun	3,560,334	205,202	(1,067)	11,986	3,204	219,326 0.062
Jul	4,321,524	251,251	(1,311)	14,260	3,889	268,090 0.062
Aug	4,722,699	275,801	366	15,440	4,250	285,858 0.063
Sep	4,014,260	234,921	1,291	13,120	3,613	252,945 0.063
TOTAL	50,100,592	\$2,883,619	-\$10,941	\$167,487	\$45,091	\$3,085,256 0.062 91% AVERAGES

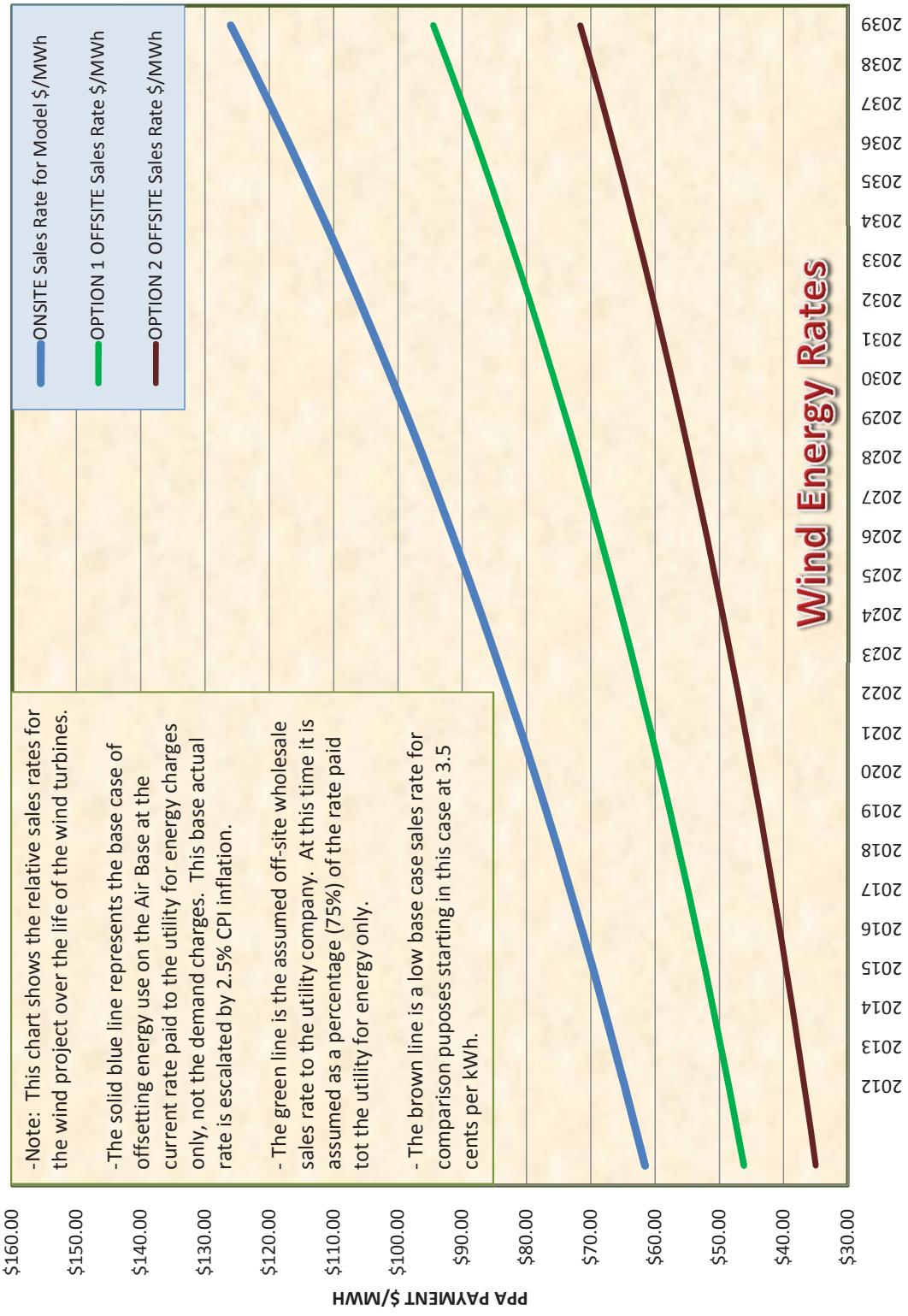
POWER DEMAND CHARGE						TOTAL CHARGES					
GS-2 Transmission Demand KW	GS-2 Transmission Demand Cost (\$)	GS-2 Distribution Demand Cost (\$)		SUM of TOTAL DEMAND CHARGE \$/KWH		GS-2 Distribution Service Charge (\$)		FIXED CHARGE \$/KWH		BLENDED RATE	
		Total	Demand	Total	Demand	\$/KWH	\$/KWH	Total	Base Electrical Charges	Base Blended \$/KWH	
7,957	\$19,518	\$9,189		\$28,107	\$0,007	11%	\$1,410.90	\$0,0004	0.6%	\$250,105.22	\$0.065
7,303	\$17,914	\$8,434		\$26,148	\$0,006	9%	\$1,410.90	\$0,0003	0.5%	\$280,407.23	\$0.063
7,452	\$18,279	\$8,606		\$28,886	\$0,007	10%	\$1,410.90	\$0,0003	0.5%	\$259,986.24	\$0.063
7,556	\$16,539	\$7,808		\$24,647	\$0,005	8%	\$1,180.65	\$0,0003	0.4%	\$306,220.12	\$0.067
7,465	\$15,325	\$7,215		\$22,340	\$0,005	7%	\$1,180.65	\$0,0003	0.4%	\$323,091.59	\$0.069
7,322	\$15,031	\$7,077		\$22,108	\$0,006	8%	\$1,180.65	\$0,0003	0.4%	\$277,821.78	\$0.070
6,843	\$14,048	\$6,614		\$20,661	\$0,005	7%	\$1,180.65	\$0,0003	0.4%	\$282,009.55	\$0.069
6,960	\$14,288	\$6,727		\$21,015	\$0,005	8%	\$1,180.65	\$0,0003	0.4%	\$270,406.67	\$0.069
6,429	\$13,472	\$6,343		\$15,3815	\$0,005	8%	\$1,187.11	\$0,0003	0.5%	\$249,289.93	\$0.068
9,409	\$19,971	\$9,421		\$29,392	\$0,007	10%	\$1,222.11	\$0,0003	0.4%	\$289,740.04	\$0.070
8,696	\$18,512	\$8,715		\$27,227	\$0,006	8%	\$1,223.95	\$0,0003	0.4%	\$321,011.56	\$0.068
8,690	\$18,499	\$8,709		\$27,208	\$0,007	10%	\$1,223.95	\$0,0003	0.5%	\$267,737.00	\$0.070
7,673	\$20,095	\$94,658		\$293,553	\$0,006	9%	\$14,983.07	\$0,0003	0.4%	\$3,377,816.93	\$ 0.0675
AVERAGES						AVERAGES					
POWER DEMAND CHARGE						TOTAL CHARGES					
GS-2 Transmission Demand KW	GS-2 Transmission Demand Cost (\$)	GS-2 Distribution Demand Cost (\$)		SUM of TOTAL DEMAND CHARGE \$/KWH		GS-2 Distribution Service Charge (\$)		FIXED CHARGE \$/KWH		BLENDED RATE	
		Total	Demand	Total	Demand	\$/KWH	\$/KWH	Total	Base Electrical Charges	Base Blended \$/KWH	
7,899	\$16,815	\$7,917		\$24,332	\$0,006	9%	\$1,223.95	\$0,0003	0.5%	\$268,139.57	\$0.069
6,759	\$14,388	\$6,774		\$21,162	\$0,005	7%	\$1,223.95	\$0,0003	0.4%	\$288,016.26	\$0.067
7,387	\$15,725	\$7,403		\$23,129	\$0,005	8%	\$1,223.95	\$0,0003	0.4%	\$284,657.57	\$0.067
7,757	\$16,256	\$7,653		\$22,909	\$0,006	8%	\$1,195.35	\$0,0003	0.4%	\$287,839.91	\$0.068
7,348	\$15,277	\$7,192		\$22,469	\$0,005	7%	\$1,195.35	\$0,0003	0.4%	\$300,289.80	\$0.067
6,811	\$14,160	\$6,667		\$20,827	\$0,005	8%	\$1,195.35	\$0,0003	0.5%	\$257,233.08	\$0.067
6,940	\$14,428	\$6,793		\$21,221	\$0,005	8%	\$1,195.35	\$0,0003	0.4%	\$272,196.00	\$0.067
7,899	\$16,422	\$7,732		\$24,154	\$0,006	9%	\$1,195.35	\$0,0003	0.4%	\$283,941.42	\$0.067
7,135	\$14,834	\$6,984		\$21,818	\$0,006	9%	\$1,195.35	\$0,0003	0.5%	\$233,397.15	\$0.067
9,623	\$20,006	\$9,419		\$23,426	\$0,007	10%	\$1,195.35	\$0,0003	0.4%	\$307,674.42	\$0.069
9,551	\$19,857	\$9,349		\$23,205	\$0,006	9%	\$1,195.35	\$0,0003	0.4%	\$329,555.97	\$0.069
9,390	\$19,522	\$9,191		\$28,713	\$0,007	10%	\$1,195.35	\$0,0003	0.4%	\$296,493.90	\$0.071
7,875	\$197,591	\$93,074		\$290,765	\$0,006	9%	\$14,430.00	\$0,0003	0.4%	\$3,409,435.05	\$ 0.0679
AVERAGES						AVERAGES					
POWER DEMAND CHARGE						TOTAL CHARGES					
GS-2 Transmission Demand KW	GS-2 Transmission Demand Cost (\$)	GS-2 Distribution Demand Cost (\$)		SUM of TOTAL DEMAND CHARGE \$/KWH		GS-2 Distribution Service Charge (\$)		FIXED CHARGE \$/KWH		BLENDED RATE	
		Total	Demand	Total	Demand	\$/KWH	\$/KWH	Total	Base Electrical Charges	Base Blended \$/KWH	
7,928	\$18,167	\$8,553		\$26,120	\$0,007	10%	\$1,223.95	\$0,0003	0.5%	\$259,028.92	\$0.067
7,031	\$16,151	\$7,604		\$23,55	\$0,005	8%	\$1,223.95	\$0,0003	0.5%	\$284,118.27	\$0.065
7,420	\$17,002	\$8,005		\$25,007	\$0,006	9%	\$1,223.95	\$0,0003	0.5%	\$272,233.43	\$0.065
7,657	\$16,547	\$7,731		\$24,278	\$0,006	8%	\$1,195.35	\$0,0003	0.4%	\$297,037.37	\$0.067
7,407	\$15,301	\$7,204		\$22,504	\$0,005	7%	\$1,195.35	\$0,0003	0.4%	\$311,698.05	\$0.068
7,067	\$14,596	\$6,872		\$21,467	\$0,006	8%	\$1,195.35	\$0,0003	0.4%	\$267,554.78	\$0.069
6,892	\$14,238	\$6,703		\$20,944	\$0,005	8%	\$1,195.35	\$0,0003	0.4%	\$277,110.13	\$0.068
7,430	\$15,555	\$7,229		\$22,584	\$0,006	8%	\$1,195.35	\$0,0003	0.4%	\$277,181.40	\$0.068
6,779	\$14,153	\$6,663		\$20,316	\$0,006	9%	\$1,195.35	\$0,0003	0.5%	\$241,337.66	\$0.068
9,516	\$19,989	\$9,420		\$25,409	\$0,007	10%	\$1,195.35	\$0,0003	0.4%	\$298,663.85	\$0.069
9,124	\$19,184	\$9,032		\$28,216	\$0,006	9%	\$1,195.35	\$0,0003	0.4%	\$325,259.47	\$0.069
9,040	\$19,010	\$8,950		\$27,961	\$0,007	10%	\$1,195.35	\$0,0003	0.4%	\$282,101.15	\$0.070
7,774	\$199,693	\$93,966		\$293,659	\$0,006	9%	\$14,430.00	\$0,0003	0.4%	\$3,393,344.46	\$ 0.0677
AVERAGES						AVERAGES					

Northwestern - ESTIMATED RATES - Malmstrom Project										
Year	MALMSTROM Utility Purchase Rate - Sale of Energy to Base		ONSITE Sales Rate for Model \$/MWh		WIND PROJECT Sale of Energy to Utility		OPTION 1 OFFSITE Sales Rate \$/MWh		OPTION 2 OFFSITE Sales Rate \$/MWh	
	CP Annual Increases starting with Year 1 Actual Utility Energy Charge Rate	Projected Annual Blended Rate	Percentage of New Contract Rates	OFF PEAK RATE	ON PEAK RATE	Projected Annual Blended Rate Percentage of New Contract Rates	OFF PEAK	ON PEAK	ONSITE Net Energy Sales Rate \$/kWh	OFFSITE Net Energy Sales Rate \$/kWh
Hours % Ave Net C/F kWh Est % Energy	ON PEAK RATE Enter % to Use 50.0%	% Off-Peak 50.0%	% On-Peak	% Off-Peak	% On-Peak	% Off-Peak	% On-Peak	% Off-Peak	Expected Adjusted Annual Rate \$/kWh	Expected Adjusted Annual Rate \$/kWh
2012 \$ 61.57 \$ 61.57 \$ 61.57 \$ 61.57 \$ 61.57 \$ 61.57 \$ 61.57 \$ 61.57 \$ 61.57 \$ 61.57 \$ 61.57										
2013 \$ 63.11 \$ 63.11 \$ 63.11 \$ 63.11 \$ 63.11 \$ 63.11 \$ 63.11 \$ 63.11 \$ 63.11 \$ 63.11 \$ 63.11										
2014 \$ 64.68 \$ 64.68 \$ 64.68 \$ 64.68 \$ 64.68 \$ 64.68 \$ 64.68 \$ 64.68 \$ 64.68 \$ 64.68 \$ 64.68										
2015 \$ 66.30 \$ 66.30 \$ 66.30 \$ 66.30 \$ 66.30 \$ 66.30 \$ 66.30 \$ 66.30 \$ 66.30 \$ 66.30 \$ 66.30										
2016 \$ 67.96 \$ 67.96 \$ 67.96 \$ 67.96 \$ 67.96 \$ 67.96 \$ 67.96 \$ 67.96 \$ 67.96 \$ 67.96 \$ 67.96										
2017 \$ 69.66 \$ 69.66 \$ 69.66 \$ 69.66 \$ 69.66 \$ 69.66 \$ 69.66 \$ 69.66 \$ 69.66 \$ 69.66 \$ 69.66										
2018 \$ 71.40 \$ 71.40 \$ 71.40 \$ 71.40 \$ 71.40 \$ 71.40 \$ 71.40 \$ 71.40 \$ 71.40 \$ 71.40 \$ 71.40										
2019 \$ 73.18 \$ 73.18 \$ 73.18 \$ 73.18 \$ 73.18 \$ 73.18 \$ 73.18 \$ 73.18 \$ 73.18 \$ 73.18 \$ 73.18										
2020 \$ 75.01 \$ 75.01 \$ 75.01 \$ 75.01 \$ 75.01 \$ 75.01 \$ 75.01 \$ 75.01 \$ 75.01 \$ 75.01 \$ 75.01										
2021 \$ 76.89 \$ 76.89 \$ 76.89 \$ 76.89 \$ 76.89 \$ 76.89 \$ 76.89 \$ 76.89 \$ 76.89 \$ 76.89 \$ 76.89										
2022 \$ 78.81 \$ 78.81 \$ 78.81 \$ 78.81 \$ 78.81 \$ 78.81 \$ 78.81 \$ 78.81 \$ 78.81 \$ 78.81 \$ 78.81										
2023 \$ 80.78 \$ 80.78 \$ 80.78 \$ 80.78 \$ 80.78 \$ 80.78 \$ 80.78 \$ 80.78 \$ 80.78 \$ 80.78 \$ 80.78										
2024 \$ 82.80 \$ 82.80 \$ 82.80 \$ 82.80 \$ 82.80 \$ 82.80 \$ 82.80 \$ 82.80 \$ 82.80 \$ 82.80 \$ 82.80										
2025 \$ 84.87 \$ 84.87 \$ 84.87 \$ 84.87 \$ 84.87 \$ 84.87 \$ 84.87 \$ 84.87 \$ 84.87 \$ 84.87 \$ 84.87										
2026 \$ 86.99 \$ 86.99 \$ 86.99 \$ 86.99 \$ 86.99 \$ 86.99 \$ 86.99 \$ 86.99 \$ 86.99 \$ 86.99 \$ 86.99										
2027 \$ 89.17 \$ 89.17 \$ 89.17 \$ 89.17 \$ 89.17 \$ 89.17 \$ 89.17 \$ 89.17 \$ 89.17 \$ 89.17 \$ 89.17										
2028 \$ 91.40 \$ 91.40 \$ 91.40 \$ 91.40 \$ 91.40 \$ 91.40 \$ 91.40 \$ 91.40 \$ 91.40 \$ 91.40 \$ 91.40										
2029 \$ 93.68 \$ 93.68 \$ 93.68 \$ 93.68 \$ 93.68 \$ 93.68 \$ 93.68 \$ 93.68 \$ 93.68 \$ 93.68 \$ 93.68										
2030 \$ 96.02 \$ 96.02 \$ 96.02 \$ 96.02 \$ 96.02 \$ 96.02 \$ 96.02 \$ 96.02 \$ 96.02 \$ 96.02 \$ 96.02										
2031 \$ 98.42 \$ 98.42 \$ 98.42 \$ 98.42 \$ 98.42 \$ 98.42 \$ 98.42 \$ 98.42 \$ 98.42 \$ 98.42 \$ 98.42										
2032 \$ 100.89 \$ 100.89 \$ 100.89 \$ 100.89 \$ 100.89 \$ 100.89 \$ 100.89 \$ 100.89 \$ 100.89 \$ 100.89 \$ 100.89										
2033 \$ 103.41 \$ 103.41 \$ 103.41 \$ 103.41 \$ 103.41 \$ 103.41 \$ 103.41 \$ 103.41 \$ 103.41 \$ 103.41 \$ 103.41										
2034 \$ 105.99 \$ 105.99 \$ 105.99 \$ 105.99 \$ 105.99 \$ 105.99 \$ 105.99 \$ 105.99 \$ 105.99 \$ 105.99 \$ 105.99										
2035 \$ 108.64 \$ 108.64 \$ 108.64 \$ 108.64 \$ 108.64 \$ 108.64 \$ 108.64 \$ 108.64 \$ 108.64 \$ 108.64 \$ 108.64										
2036 \$ 111.36 \$ 111.36 \$ 111.36 \$ 111.36 \$ 111.36 \$ 111.36 \$ 111.36 \$ 111.36 \$ 111.36 \$ 111.36 \$ 111.36										
2037 \$ 114.14 \$ 114.14 \$ 114.14 \$ 114.14 \$ 114.14 \$ 114.14 \$ 114.14 \$ 114.14 \$ 114.14 \$ 114.14 \$ 114.14										
2038 \$ 117.00 \$ 117.00 \$ 117.00 \$ 117.00 \$ 117.00 \$ 117.00 \$ 117.00 \$ 117.00 \$ 117.00 \$ 117.00 \$ 117.00										
2039 \$ 119.92 \$ 119.92 \$ 119.92 \$ 119.92 \$ 119.92 \$ 119.92 \$ 119.92 \$ 119.92 \$ 119.92 \$ 119.92 \$ 119.92										
2040 \$ 122.92 \$ 122.92 \$ 122.92 \$ 122.92 \$ 122.92 \$ 122.92 \$ 122.92 \$ 122.92 \$ 122.92 \$ 122.92 \$ 122.92										
2041 \$ 125.99 \$ 125.99 \$ 125.99 \$ 125.99 \$ 125.99 \$ 125.99 \$ 125.99 \$ 125.99 \$ 125.99 \$ 125.99 \$ 125.99										

Increased at CPI after Contract Term

NOTE: Many Utilities have HEAVY (ON-PEAK) and LIGHT (OFF-PEAK) energy rates. This model allows a blending of rate structures possible in various contract scenarios. Northwestern does not have a differential commercial rate for on-peak vs. off-peak energy use, but many utilities are starting to offer sales rates structures that allow customers a lower rate for off-peak energy usage and charge higher rates for on-peak energy usage. Wind project generation needs to account for this differential in typical generation scenarios. For Malmstrom this could end up being an advantage since the typical wind generation peak appears to be mid afternoons on a diurnal curve of the actual data - right during peak times..

POWER SALES AGREEMENT CONTRACT



RENAISSANCE
Engineering & Design

CONFIDENTIAL and PROPRIETARY

Page E2 PPA RateChart

14 MW Malmstrom Wind Project; (8) 1 80-MW Wind Turbines

Key Basic Assumptions and Notes

Business Incentive Notes:

There is no Bonus Depreciation at this time, but that has historically been a great incentive to push the project returns earlier allowing more tax credit deductions in the earlier years. The net income effect is of course the same, but the IRR is higher since the incentives have been as high as allowing 100% or 50% total depreciation in the first year with the rest of the regular MACRS depreciation following. The MACRS depreciation schedule allows depreciation of 20%, 32%, 19.2%, 11.52%, 11.52%, and 5.76% for years 0, 1, 2, 3, 4, 5 respectively.

Montana has an Investment Tax Credit that is referred to as the Alternative Energy Production Tax Credit AEPIC. At first glance, this offsets state income taxes for production equipment that is significant to the in-state Tax Equity Investor TEI. The amount is 35% of the allowable project total costs which equated to millions of dollars for a wind project like this. The state credit can offset tax liabilities and be carried forward seven years. The problem is that the depreciation already offsets tax liabilities for the first six years so this special credit results in state tax savings of all the liabilities owed in year seven...only about \$100k.

The state does have a property tax benefit that can reduce the property tax owed by 50% the first five years and then increasing 10% per year for years six to ten where the full rate is applied. This incentive must be arranged with the county BEFORE construction starts. It is only available if the project does not take other state incentives like the AEPIC...but this savings is worth several hundred thousand dollars each year and is far more valuable. With 8 turbines this is worth almost \$1.7M in ten years. The Montana property tax is so high that with the incentive the project still pays more in the first few years in property tax than the cash left for the investors. Without the incentive the property tax alone would kill the project. The county confirmed that if the project were to be owned by the base and used for their own needs there would be no taxes. If the base owns the project and sells energy offsite to some other user, this would require special ruling for proportions, but is a taxable sale. If the project is on the base but owned by a private party, the project would be taxable.

These incentives are built into the capital and return structure of the model and provide a high level of "risk" protection to the investors against capital cost increases and project development expenses. Renewable Energy Credit (RECs) or "Green Tags" are currently selling for about \$0.01 per kWh with contracts about 10 years in length. This is subject to several negotiation options and could be much higher. This model assumes full utilization of State Tax Credits along with the Federal Tax Credit Benefits from Bonus and MACRS 5-Year depreciation schedules.

Tax Equity Flip: In some cases an entity like the base could consider long term ownership and operation of the asset while letting a developer build, own, and maintain the project during the first 5-10 years fully utilizing the tax credits. This is typically called a "tax equity flip" model and would allow eventual title transfer of the assets installed on the base to the base itself. The terms and negotiation of this type of structure are well developed in the industry, but relatively complex. It would be crucial to consider the implications of that kind of structure and negotiate that at the beginning. One key is that the flip needs to occur after all the tax incentives are achieved. With an ITC, ownership must not change in the first five years or some of the credits must be returned. With a PTC the credits continue for 10 years so a flip may occur after those events but could occur even later.



Turbine Notes: VESTAS V100

The VESTAS V100 turbines are excellent producers in lower wind regimes. They have excellent reliability and reputation for high performance. These turbines are 1.8MW each and have a 100 meter rotor diameter. Typically they are placed on 80m towers but taller towers can be ordered. The turbine tip height on an 80m tower would be 130m or about 427 feet in the air.

Financial Model Notes:

This model consists of over 100 Input Variables. The key inputs and results are included on the Summary Page 1. All Inputs must only be entered on the INPUT sheet, not changed throughout the model. This financial model is proprietary and confidential and used for various scenario modeling to determine effects of project performance and possible financial impacts. The Reserve Account under O&M starts saving funds after five years for future maintenance expenses that are coming out of the model returns as expenses, but may or may not be spent before future years. Thus some funds are included in that category as an expense that may in fact be income and taxable. The assumption is that they will be spent in this model.

No warranties or claims are implied by the use or analysis of this model. The intention of these spreadsheets is to show the possible project returns and effects under very specific conditions. Actual project performance may or may not match those conditions. The complicated tax aspects of projects like this can affect the outcome differently for different owners. In most cases, the assumption is that the owners of this project can fully utilize tax credits to offset tax liabilities in other businesses.

This financial model and the printed output sheets are considered proprietary and confidential. They are for modeling demonstrations and not intended for financial investment purposes or to solicit investments in any way.

In using this model it is advisable to open and save under a new name to enable changes without modifying the original file. Many of the cells refer to other sheets and formulas are not protected. Erroneous entries on one sheet can affect multiple sheets and be hard to track for repairs.



Appendix E: 8 Turbine Wind Project Proforma and Inputs

14.4 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines; Input Variables and Quick Summary

Project Inputs			Quick Summary		
			Project Info		
Project Name			Size	14,400	kW
Year Project Installed	2014		Net Annual Generation	40,914,571	kWh
Month Project Installed	November		Net Capacity Factor	32.4%	
Turbine Inputs			Project Financing		
Vestas V100 (1.8MW)	8		Cost	\$ 37,500,000	100.0%
Turbine Size	1,800		Cost per Turbine	\$ 4,687,500	
Site Inputs			Cost per Turbine	\$ 2,604	\$/kW
Gross Power Curve Annual Generation Estimate	46,325,375		Financing		
Estimated Gross Capacity Factor	37.86%		Grants	\$ -	0.0%
Percent On-Peak	100.0%		USDA	\$ -	0.0%
Percent Off-Peak	0.0%		0	\$ -	0.0%
Electrical and Other Losses	8.0%		ITC Cash Grant	\$ 10,125,000	27.0%
Wake Losses (Included in WaSP Prod. Est.)	3.00%		BETC Pass Through	\$ -	0.0%
Availability	96.0%		Dev Team	\$ -	0.0%
Financing Inputs			Other Dev. Equity	\$ -	0.0%
Project Cost	\$ 2,604	\$/kW	Tax Equity Investor	\$ 8,625,000	23.0%
Depreciable Costs	95.0%		Debt	\$ 18,750,000	50.0%
Reduction for ITC Cash Grant Option in Depreciation Allowed	15.0%				
Bonus Depreciation - 2011,2012 Construction	0.0%		Tax Equity Investor Level		
Grants			Pre-Flip		
USDA	\$ -		Post-Flip		
			Flip Purchase Price		
ITC Cash Grant	\$ -	\$/turbine	Flip Purchase Year		
Eligible ITC Costs	30.0% 30% of Project Cost		Development Team Level		
Development Team LLC			AWG Development		
Towards Project Financing	\$ -		AWG		
Towards Interest Reserve Account	\$ -		Finance Partner		
Developer	50.0%	in Dev. Team	Project Level		
Landowner	50.0%	in Dev. Team	IRR		
Other TEAM Equity Contribution to Project			Project's Net Annual Operating Income		
Developer	50.0%		Year	Net Annual Cash Flow	Debt Service Coverage Ratio
Finance Partner	50.0%		2014	\$ 71,507	1.27
Investment Percentages			2015	\$ 210,403	1.13
Developer	50.0%		2016	\$ 277,588	1.17
Finance Partner	50.0%		2017	\$ 346,094	1.21
Cost of Short Term Debt	10.0%	%/yr	2018	\$ 415,955	1.26
Amount of Short Term Debt	\$ 300,000	early Expenses	2019	\$ 447,205	1.28
Federal Marginal Tax Rate - Development Team	35.0%		2020	\$ 455,935	1.28
Working Capital Account Return	2.5%	APR	2021	\$ 491,824	1.31
Project Development Fees at Closing	6.0%		2022	\$ 534,909	1.33
Debt Financing			2023	\$ 565,226	1.35
Debt Proportion	50.0%	40%	2024	\$ 582,814	1.36
Interest Rate	6.00%		2025	\$ 885,778	1.55
Project Portion, Term	20 years		2026	\$ 985,161	1.61
Tax Equity Investor			2027	\$ 1,086,313	1.67
Federal Marginal Tax Rate - TEI	35.0%		2028	\$ 1,189,279	1.74
STATE:	IDAHO MONTANA		2029	\$ 1,294,102	1.80
State Marginal Tax Rate	6.9%		2030	\$ 1,400,831	1.87
Other Equity, BETC, - Applicable	No		2031	\$ 1,509,512	1.94
Utilize BETC Pass-Through?	No		2032	\$ 1,591,565	1.99
BETC Value	0.00% of Project Cost		2033	\$ 1,675,670	2.04
BETC Self Use VALUE \$ (Awarded in 2011)	\$ -		2034	\$ 2,010,539	2.50
Discount Alternative Amount for Pass Through BETC	0.0%	33.50%	2035	\$ 3,440,556	
BETC Pass Through Cash Value Alternative	\$ -		2036	\$ 3,529,433	
Net Operating Loss Portion			2037	\$ 3,620,532	
Discount Rate for Tax Credit IRR Calculations	8.0%		2038	\$ 3,713,908	
Discount Rate for Average NPV Calculations	10.0%		2039	\$ 3,809,619	
FMV Discount Rate for Buyout Calculations	12.0%		2040	\$ 3,907,722	
Montana State Investment Tax Credit Applicable	No		2041	\$ 4,008,278	
Montana State Investment Tax Credit (State ITC)	35.0% % of CapitalCost		2042	\$ 3,992,672	
Tax Equity Flip Periods			2043	\$ 3,976,676	
Length of Period 1	5 years			Average DSCR	1.56
Length of Period 2	5 years				

Annual Revenue Inputs			Tax Equity Investor - Development Team OWNERSHIP		
Project Default Sales Rate	\$ 0.0350	\$/kWh	Tax Equity Investor	Years 1-5	100%
REC Sales Rate Yrs 1-10	\$ 0.0060	\$/kWh	Tax Equity Investor	Years 6-30	100%
Able to Sell % of Available RECs Yrs 1-10	100.0%		Development Team	Years 1-5	0%
REC Sales Rate Yrs 11-20	\$ 0.0100		Development Team	Years 6-30	0%
Able to Sell % of Available RECs Yrs 11-20	100.0%		Year 6 Buyout Amount	Buyout of 5% TE Owner	\$ -
Malmstrom Base % ONSITE ENERGY USE	68.4%		PTC Model Tax Equity Investor Years 1-10		100%
Malmstrom Base % OFFSITE ENERGY SALES	31.6%	28.9			
CPI / Inflation Rate	2.5%	per year			
Annual Operations Inputs			Power Purchase Utility Information		
O&M Contract (10yrWarranty escalated with CPI, \$65k/Turbine)	\$ 0.0049	\$/kWh	Power Sales To:	Northwestern	
Warranty - Annual Rate Years 1-5	\$ 0.0049	\$/kWh			
Warranty Adder Years 6-10	\$ 0.0010	\$/kWh			
Liability Insurance (per MW installed)	\$ 12,000	\$/MW			
MONTANA - County Zone Tax Mill Rate - CASCADE COUNTY	508.9600	\$/1000			
Category 14 Property Tax Valuation MONTANA	3%				
MONTANA - Property Tax Rate Estimate	\$ 286,290	\$Total no ValueAdj			
MONTANA - Property Tax Rate Estimate per MW	\$ 19,881	\$/MW			
IDAHO - Property Tax Rate		3% % Gross ElecSales			
IDAHO - First Full Year Tax Amount Estimate	\$ 74,942	\$Total			
IDAHO - State Sales Tax Rate	6.0%	% of Equip			
General & Administrative Costs					
Operation Management/ Administration/ Reporting/ Forecasting Contract	2.0%	% of Gross			
Decommissioning Requirements	No				
Decommissioning Amount (per turbine)	\$ 25,000	\$/turbine			
Decommissioning Bond (annual % of Decomm Amount)	5%				
General Site Upkeep, Weeds, Roads	\$ 1,500	\$/year			
Power Purchase Agreement Letter of Credit	0.0%	0.5 %GrossRev			
Transmission Service Letter of Credit	0.0%	%TotalTxfees			
Phones, Internet, Supplies, Equipment	\$ 100	\$/mo			
Land Lease Fees					
Land Lease Fee (Landowner to Development Team)	0.0%	% of Gross			
Production Taxes on Electricity	Yes				
Production Taxes on Electricity (Years 1-10)	\$ 0.00015	\$/kWh produced			
Production Taxes on Electricity (Years 11-20)	\$ 0.00015	\$/kWh produced			
Transmission Rates					
Local Utility	No				
Wheeling Rate Northwestern (est \$/k/yr)	\$ -	\$/kWh			
Local Utility Wind Integration Rate	\$ -	\$/kWh			
BPA	No				
Use of Facility Fee	\$ -	\$/year			
Long Term PTP Rate (typ 1.3)	\$ -	\$/kW-mo			
Ancillary Rate					
Scheduling, System Control, and Dispatch	\$ -	\$/kW-mo			
Reactive Supply & Voltage Control from Generation Sources	\$ -	\$/kW-mo			
Regulation and Frequency Response	\$ -	\$/kWh			
Energy Imbalance	\$ -				
Operating Reserve - Spinning Reserve	\$ -	\$/kWh			
Operating Reserve - Supplemental Reserve	\$ -	\$/kWh			
BPA Wind Integration Rate	\$ -	\$/kW-mo			
NPV of PTC			FEDERAL PRODUCTION TAX CREDIT - PTC		
Annual Percentage Increase	2.50%		Annual Credit Value:	\$ 6,343,852	
2012 START Value	\$ 0.0220				
2	\$ 0.0226			\$ 150,431	
3	\$ 0.0231			\$ 922,624	
4	\$ 0.0237			\$ 945,689	
5	\$ 0.0243			\$ 969,331	
6	\$ 0.0249			\$ 993,565	
7	\$ 0.0255			\$ 1,018,404	
8	\$ 0.0262			\$ 1,043,864	
9	\$ 0.0268			\$ 1,069,960	
10	\$ 0.0275			\$ 1,096,710	
Year 11 month from 2012	\$ 0.0282			\$ 1,124,127	
Total Value of 10 Years of PTC:				\$ 1,056,211	
Energy Trust of Oregon			Initial Development Assistance Amount:		
Initial Development Assistance Amount:	\$ -		Annual Average Base Contribution:	\$ -	
Years of Assistance	\$ -			\$ -	
Front End Loading Declining Percentage of Assistance			Each Year		
1	200%			\$ -	
2	175%			\$ -	
3	100%			\$ -	
4	100%			\$ -	
5	100%			\$ -	
6	100%			\$ -	
7	100%			\$ -	
8	100%			\$ -	
9	50%			\$ -	
10	25%			\$ -	

14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines;

Major Input Variables and Financial Return Summary

Quick Summary - Project Info		Project's Net Annual Operating Income					
Vestas V100 (1.8MW)		Year	Net Annual Cash Flow	Annual	Cash Flow	Debt Service	Coverage Ratio
Size	14,400 kW	2014	\$ 71,507	1,27			
Net Annual Generation	40,914,571 kWh	2015	\$ 210,403	1,13			
Net Project Capacity Factor	32.4%	2016	\$ 277,588	1,17			
Total Capital Costs:	\$ 37,500,000	100.00%	2017	\$ 346,094	1.21		
Total Cost per Turbine Fully Installed	\$ 4,687,500	\$/kW					
Cost per kW Installed	\$ 2,604	\$/kW					
Financing							
Grants	\$ -	0.0%	2018	\$ 415,955	1.26		
USDA Energy Trust / Other	\$ -	0.0%	2019	\$ 447,205	1.28		
ITC Cash Grant	\$ 10,125,000	27.0%	2020	\$ 455,935	1.28		
Development TEAM Long Term Equity	\$ -	0.0%	2021	\$ 491,824	1.31		
Other TEAM Long Term Equity	\$ 8,625,000	23.0%	2022	\$ 534,909	1.33		
Tax-Equity Investor	\$ 18,750,000	50.0%	2023	\$ 565,226	1.35		
Debt			2024	\$ 582,814	1.36		
Project Key Input Variables							
Project Name	Malmstrom						
Year Project Installed	2014						
Month Project Installed	November						
Turbine Inputs							
Number of Turbines	8	turbines	2030	\$ 1,400,831	1.87		
Turbine Size	1800	kW Each	2031	\$ 1,509,512	1.94		
Site Inputs							
Estimated Gross Capacity Factor	37.66%		2032	\$ 1,591,565	1.99		
Electrical Losses	8.00%		2033	\$ 1,675,670	2.04		
Wake Losses (Included in WasP Prod. Est.)	3.00%		2034	\$ 2,010,539	2.50		
Availability	96.00%		2035	\$ 3,444,556			
Financing Inputs							
Project Cost	\$ 2,604	\$/kW					
MACRS Depreciable Costs	95.0%	of Project Cost					
ITC Cash Grant	30.0%	of Project Cost					
Eligible ITC Costs	90.0%	of Project Cost					
Bonus Depreciation Allowed First Year	0.0%	of Project Cost					
Debt Financing							
Debt Proportion	50.0%		2040	\$ 3,907,722			
Interest Rate	6.00%	years	2041	\$ 4,008,278			
Project Portion, Term	20		2042	\$ 3,992,672			
			2043	\$ 3,976,676			
				Average DSCR	1.56		
8 TURBINES							
Blended ON-SITE Contract Sales Rate YEAR 1	\$ 61.57	\$/MWh					
Blended OFF-SITE Contract Sales Rate YEAR 1	\$ 46.18	\$/MWh					
REC Sales Rate	\$ 6.00	\$/MWh					
CPI / Inflation Rate	2.5%	per year					
Blended Wheeling Rate, Facility, Transmission, etc. (Local and/or BPA)	\$ -	\$/kWh					
Property Taxes	\$ 0.0070	\$/kWh					
O&M Contract (10yr)Warranty Escalated with CPI, \$65k/Turbine)	\$ 0.0098	\$/kWh					
Operation Management/ Administration/ Reporting/ Forecasting Contract	2.0%	% of Gross					
Land Lease / Fees	0.00015	% of Gross					
Production Tax Rate		\$/kWh					
20 YEAR PROJECT RETURNS							
UNLEVERAGED	LEVERAGED						
INVESTMENT TAX CREDIT (ITC) as Cash Grant	5.0%	16.3%					
INVESTMENT TAX CREDIT (ITC) as TAX CREDIT	5.7%	16.6%					
PRODUCTION TAX CREDIT (PTC) MODEL	4.7%	8.6%					



14.4 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines;

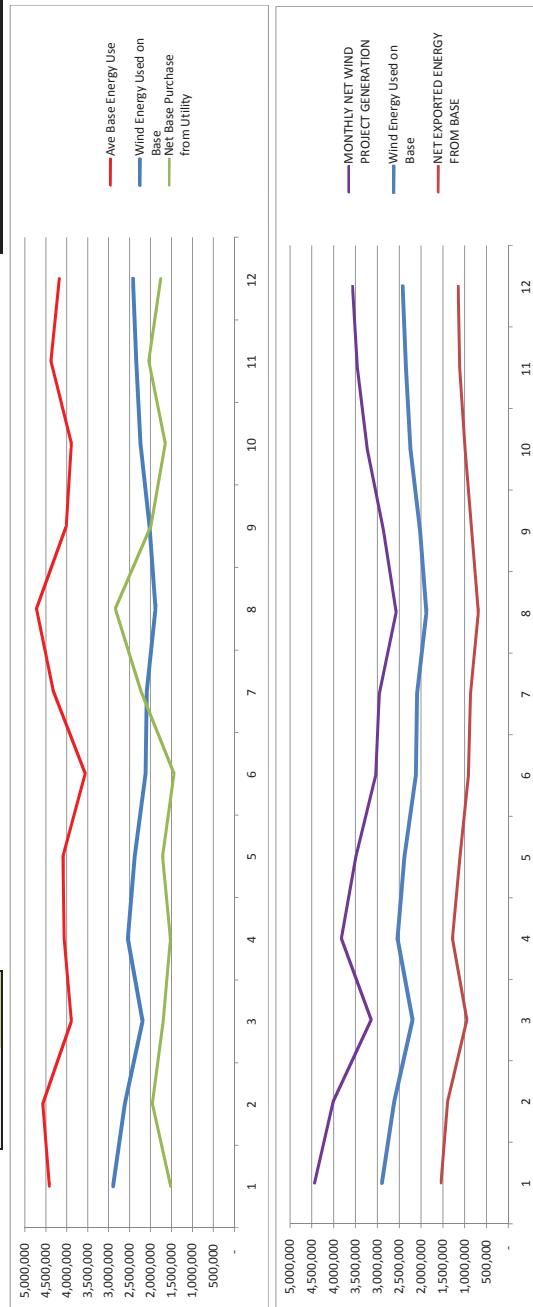
Wind Data Energy Production Model

Turbine Selection: **Vestas V100 (1.8MW)**
Number of turbines: **8**
Project Size (Total kW): **14,400**

Note: The Weibull model was used to estimate the percent of time in the month that the wind project was generating over 6MW of Power from the actual on-site wind speed data. The actual BASE energy usage average for the month appears to be at about 6 MW load, so the data was used to estimate % of energy produced above that level

		Percent Deduction for Actual Expected Export:		Estimated actual percent export		Percent Export from Weibull {INPUT}		MONTHLY NET WIND PROJECT GENERATION		NET EXPORTED ENERGY FROM BASE		% of Base Energy from Wind	
		Gross Monthly Capacity	Monthly Net Capacity	8 TURBINES	8 TURBINES	8 TURBINES	8 TURBINES	4,429,310	1,543,548	2,895,762	66%		
Malmstrom AFB monthly average wind speeds at 34m AGL	1.8MW V100	Monthly Gross kWh	Monthly Net Capacity					4,429,310	1,543,548	2,895,762	66%		
Jan-11	7.3	16.33 m/s	10.94% Gen.	41.4%	36.6%	34.8%	34.8%	4,429,310	1,543,548	2,895,762	66%		
Feb-11	7.3	16.33 m/s	9.88% Gen.	41.4%	36.6%	34.8%	34.8%	4,009,697	1,394,172	2,615,525	57%		
Mar-11	5.5	12.30 mph	457,940	7.73%	34.20%	29.3%	31.8%	3,138,552	948,157	2,190,396	56%		
Apr-11	6.5	14.54 mph	557,654	9.42%	43.03%	36.3%	35.3%	3,821,055	1,281,933	2,540,283	63%		
May-11	5.9	13.20 mph	509,034	8.60%	38.01%	32.6%	33.5%	3,488,732	1,110,389	2,378,443	58%		
Jun-11	5.5	12.30 mph	443,168	7.49%	34.20%	29.3%	31.8%	3,037,310	917,571	2,119,739	60%		
Jul-11	5.3	11.86 mph	431,464	7.29%	32.22%	27.6%	30.8%	2,957,095	865,246	2,091,849	48%		
Aug-10	4.9	10.96 mph	374,860	6.33%	27.99%	24.0%	28.3%	2,569,152	690,717	1,878,436	40%		
Sep-10	5.3	11.86 mph	417,545	7.05%	32.22%	27.6%	30.8%	2,861,700	837,333	2,024,366	50%		
Oct-10	5.6	12.53 mph	471,408	7.96%	35.20%	30.2%	32.3%	3,230,857	991,388	2,239,468	58%		
Nov-10	6	13.42 mph	504,029	8.51%	38.89%	33.3%	33.9%	3,454,429	1,112,499	2,341,930	53%		
Dec-10	6	13.42 mph	520,830	8.80%	38.89%	33.3%	33.9%	3,569,577	1,149,582	2,419,995	58%		
Total 11 Turbine kWh gross: 5,920,710		37.63%	Average: 47,365,680	33.6%	40,578,368	31.3%	31.3%	12,842,195	2,7736,172	56%	50,100,592	22,364,420	
For 8 turbines, in kWh:			Annual ave. export from Weibull = 33.6%	33.60%	100%	31.6%	31.6%	31.6%	31.6%	31.6%	100.0%	100.0%	
Gross Capacity Factor:		37.9%	% of Gross	32.4%	85.7%						55.4%	44.6%	
Net Capacity Factor:			Annual ave. export from Weibull = 33.6%										

ENERGY USAGE AND GENERATION CHARTS MONTHLY KWH



14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines

Malmstrom Wind Project; Annual Loan Amortization Schedule

Project Financing Summary		
Project Cost:	\$ 37,500,000	100.0%
USDA	\$ -	0.0%
ITC Cash Grant	\$ (10,125,000)	27.0%
	\$ -	0.0%
Year 1 Tax Bill = \$000,000; 34% tax bracket		
TOTAL EQUITY CONTRIBUTIONS		
Development Team	\$ -	0.0%
Other Dev Equity	\$ -	0.0%
Tax Equity Investor(s)	\$ (8,625,000)	23.0%
Total Equity:	23.0%	(\$8,625,000)
Project Debt Financing:	\$ (18,750,000)	50.0%
		100.0%
Debt Proportion	50.0%	
Interest Rate	6.0%	
Project Portion, Term	20.00	years

Year	Interest	Principal	PROJECT DEBT PAYMENTS		TOTAL
			Interest	Principal	
2014	\$ 187,297	\$ 81,365	\$ 268,662		
2015	\$ 1,106,364	\$ 505,606	\$ 1,611,970		
2016	\$ 1,075,180	\$ 536,790	\$ 1,611,970		
2017	\$ 1,042,072	\$ 569,898	\$ 1,611,970		
2018	\$ 1,006,921	\$ 605,048	\$ 1,611,970		
2019	\$ 969,603	\$ 642,367	\$ 1,611,970		
2020	\$ 929,984	\$ 681,986	\$ 1,611,970		
2021	\$ 887,920	\$ 724,050	\$ 1,611,970		
2022	\$ 843,262	\$ 768,708	\$ 1,611,970		
2023	\$ 795,850	\$ 816,120	\$ 1,611,970		
2024	\$ 745,514	\$ 866,456	\$ 1,611,970		
2025	\$ 692,073	\$ 919,897	\$ 1,611,970		
2026	\$ 635,335	\$ 976,635	\$ 1,611,970		
2027	\$ 575,099	\$ 1,036,871	\$ 1,611,970		
2028	\$ 511,147	\$ 1,100,823	\$ 1,611,970		
2029	\$ 443,250	\$ 1,168,720	\$ 1,611,970		
2030	\$ 371,166	\$ 1,240,804	\$ 1,611,970		
2031	\$ 294,636	\$ 1,317,334	\$ 1,611,970		
2032	\$ 213,386	\$ 1,398,584	\$ 1,611,970		
2033	\$ 127,124	\$ 1,484,846	\$ 1,611,970		
2034	\$ 36,214	\$ 1,307,094	\$ 1,343,308		
	\$ 13,489,398	\$ 18,750,000	\$ 32,239,398		

14 MW Malmstrom Wind Project; (8) 1.8-MW Wind Turbines; Project Breakdown Budget / Capital Expenditures (CAPEX)

Equipment/Shipping	Cost	Qty		Total
1.8MW Turbines, 80m Towers	\$ 2,150,000	8		\$17,200,000
Service Elevator	\$ 25,000	8		\$200,000
Commissioning and Technical Advisory Services	\$ 30,000	8		\$240,000
SCADA Upgrades	\$ 250,000	1		\$250,000
Turbine Add-On Packages (cold weather, tools, lights, etc)	\$ 40,000	8		\$320,000
Shipping	\$ 125,000	8		\$1,000,000
		50.1%	S/T	\$ 19,210,000
Engineering & Design				
Wind Resource Assessment Fee	\$ 15,000	1		\$15,000
Geotechnical Analysis	\$ 75,000	1		\$75,000
Foundation Design	\$ 25,000	1		\$25,000
SGIA Applications, Studies, Utilities	\$ 150,000	1		\$150,000
Pre-Development Expenses	\$ 300,000	1		\$300,000
Electrical Engineer One-Line, Design, Substation, Transmission R	\$ 90,000	1		\$90,000
		1.7%	S/T	\$ 655,000
Permitting/Fees				
CUP - Building Permits	\$ 5,000	1		\$5,000
Environmental Studies	\$ 12,000	1		\$12,000
Foundation Permits	\$ 3,000	8		\$24,000
Electrical Permit	\$ 40,000	1		\$40,000
		0.2%	S/T	\$ 81,000
Foundation/Tower/Erection/Site Office O&M Facility				
Site Office O&M Facility	\$ 180,000	1		\$180,000
Foundations	\$ 150,000	8		\$1,200,000
				\$0
Turbine Wiring - Downtower Electrical Work	\$ 60,000	8		\$480,000
				\$0
Tower, Crane, Erection	\$ 145,000	8		\$1,160,000
		7.9%	S/T	\$ 3,020,000
Roads				
Material & Equipment, Labor - 4000'	\$ 265,000	1		\$265,000
		0.7%	S/T	\$ 265,000
Electrical Distribution and Site Substation Installation				
Turbine Transformers 2MVA	\$ 40,000	8		\$320,000
Underground Distribution, Wiring, Arrays	\$ 560,000	1		\$560,000
Metering Equipment and Misc Upgrades	\$ 200,000	1		\$200,000
Substation Structures and Construction	\$ 700,000	1		\$700,000
Substation Transformer and Appurtenant Equip	\$ 2,000,000	1		\$2,000,000
		9.9%	S/T	\$ 3,780,000
Electrical Interconnection with Utility				
New Distribution Lines	\$ 3,500,000	1		\$3,500,000
Interconnection Facilities	\$ 1,500,000	1		\$1,500,000
Communications Equipment	\$ 150,000	1		\$150,000
		13.4%	S/T	\$ 5,150,000
Legal Costs				
Lease Agreement, Op Agmts, PPA	\$ 25,000	1		\$25,000
Construction Agreements	\$ 12,000	1		\$12,000
Turbine Supply Agreements	\$ 20,000	1		\$20,000
		0.1%	S/T	\$ 57,000
Financing Costs and Sales Tax				
Finance Fees	\$ 400,000	1		\$400,000
Construction Financing Interest	\$ 500,000	1		\$500,000
Idaho State Sales Tax on Equipment	\$23,630,000	6.0% of Project Equip.		\$1,417,800
		6.0%	S/T	\$ 2,317,800
Developers Fee and Contingency				
				\$0
Project Development Fees with Performance Guarantees	\$ 2,250,000	6.0% of Project w Perf.G.		\$2,250,000
Contingency (not incl on fixed price contracts, Turbines)	\$ 1,571,600	20% of Project Variable \$		\$1,571,600
				\$0
		10.0%	S/T	\$ 3,821,600
Total From This BREAKDOWN BUDGET	2,664	\$/kW	\$	38,357,400
Total From \$/KW in PROFORMA SHEET MODEL	2,604	\$/kW	\$	37,500,000



14 MW Malmstrom Wind Project

30 Year G&A Expenses

Malmstrom Wind Project; (8) 1.80-MW Wind Turbines; 30 Year O&M Expenses with RESERVE ACCOUNTS

Year	2.0% of Gross Annual Revenues	\$ 1,500 per Year	0.0% of Gross Energy Revenues	\$ 100 per Month	\$ 0.0098 per kWh of Annual Generation		Annual Expense on Misc. Parts			TOTAL O&M Expenses	Reserve Account Total with CPI	Annual Reserve Contribution	CUMULATIVE RESERVE ACCOUNT BALANCE
					Net Annual Production: 40,914,571 kWh	per Turbine, CPI Increase							
2014	\$ (8,967)	\$ (1,500)	\$ -	\$ (1,200)	\$ (11,667)	\$ -	\$ (66,667)	\$ -	\$ -	\$ (66,667)	\$ -	\$ -	\$ -
2015	\$ (54,994)	\$ (1,538)	\$ -	\$ (1,230)	\$ (57,761)	\$ -	\$ (400,000)	\$ -	\$ -	\$ (400,000)	\$ -	\$ -	\$ -
2016	\$ (56,368)	\$ (1,576)	\$ -	\$ (1,261)	\$ (59,205)	\$ -	\$ (410,000)	\$ -	\$ -	\$ (410,000)	\$ -	\$ -	\$ -
2017	\$ (57,778)	\$ (1,615)	\$ -	\$ (1,292)	\$ (60,665)	\$ -	\$ (420,250)	\$ -	\$ -	\$ (420,250)	\$ -	\$ -	\$ -
2018	\$ (59,222)	\$ (1,656)	\$ -	\$ (1,325)	\$ (62,202)	\$ -	\$ (430,756)	\$ -	\$ -	\$ (430,756)	\$ -	\$ -	\$ -
2019	\$ (60,703)	\$ (1,697)	\$ -	\$ (1,358)	\$ (63,757)	\$ -	\$ (441,525)	\$ -	\$ -	\$ (441,525)	\$ -	\$ -	\$ -
2020	\$ (62,220)	\$ (1,740)	\$ -	\$ (1,392)	\$ (65,351)	\$ -	\$ (453,563)	\$ -	\$ -	\$ (453,563)	\$ -	\$ -	\$ -
2021	\$ (63,776)	\$ (1,783)	\$ -	\$ (1,426)	\$ (66,985)	\$ -	\$ (465,902)	\$ -	\$ -	\$ (465,902)	\$ -	\$ -	\$ -
2022	\$ (65,370)	\$ (1,828)	\$ -	\$ (1,462)	\$ (68,660)	\$ -	\$ (478,550)	\$ -	\$ -	\$ (478,550)	\$ -	\$ -	\$ -
2023	\$ (67,004)	\$ (1,873)	\$ -	\$ (1,499)	\$ (70,316)	\$ -	\$ (491,314)	\$ -	\$ -	\$ (491,314)	\$ -	\$ -	\$ -
2024	\$ (68,680)	\$ (1,920)	\$ -	\$ (1,536)	\$ (72,136)	\$ -	\$ (504,802)	\$ -	\$ -	\$ (504,802)	\$ -	\$ -	\$ -
2025	\$ (74,691)	\$ (1,968)	\$ -	\$ (1,575)	\$ (78,234)	\$ -	\$ (518,422)	\$ -	\$ -	\$ (518,422)	\$ -	\$ -	\$ -
2026	\$ (76,556)	\$ (2,017)	\$ -	\$ (1,614)	\$ (80,190)	\$ -	\$ (532,062)	\$ -	\$ -	\$ (532,062)	\$ -	\$ -	\$ -
2027	\$ (78,472)	\$ (2,068)	\$ -	\$ (1,654)	\$ (82,194)	\$ -	\$ (545,767)	\$ -	\$ -	\$ (545,767)	\$ -	\$ -	\$ -
2028	\$ (80,434)	\$ (2,119)	\$ -	\$ (1,696)	\$ (84,249)	\$ -	\$ (559,492)	\$ -	\$ -	\$ (559,492)	\$ -	\$ -	\$ -
2029	\$ (82,445)	\$ (2,172)	\$ -	\$ (1,738)	\$ (86,355)	\$ -	\$ (573,226)	\$ -	\$ -	\$ (573,226)	\$ -	\$ -	\$ -
2030	\$ (84,506)	\$ (2,227)	\$ -	\$ (1,781)	\$ (88,514)	\$ -	\$ (586,960)	\$ -	\$ -	\$ (586,960)	\$ -	\$ -	\$ -
2031	\$ (86,619)	\$ (2,282)	\$ -	\$ (1,826)	\$ (90,727)	\$ -	\$ (600,694)	\$ -	\$ -	\$ (600,694)	\$ -	\$ -	\$ -
2032	\$ (88,784)	\$ (2,339)	\$ -	\$ (1,872)	\$ (92,995)	\$ -	\$ (614,428)	\$ -	\$ -	\$ (614,428)	\$ -	\$ -	\$ -
2033	\$ (91,004)	\$ (2,398)	\$ -	\$ (1,918)	\$ (95,320)	\$ -	\$ (628,162)	\$ -	\$ -	\$ (628,162)	\$ -	\$ -	\$ -
2034	\$ (93,279)	\$ (2,458)	\$ -	\$ (1,966)	\$ (97,703)	\$ -	\$ (641,906)	\$ -	\$ -	\$ (641,906)	\$ -	\$ -	\$ -
2035	\$ (95,611)	\$ (2,519)	\$ -	\$ (2,015)	\$ (100,146)	\$ -	\$ (655,650)	\$ -	\$ -	\$ (655,650)	\$ -	\$ -	\$ -
2036	\$ (98,001)	\$ (2,582)	\$ -	\$ (2,066)	\$ (102,650)	\$ -	\$ (669,404)	\$ -	\$ -	\$ (669,404)	\$ -	\$ -	\$ -
2037	\$ (100,451)	\$ (2,647)	\$ -	\$ (2,118)	\$ (105,246)	\$ -	\$ (683,158)	\$ -	\$ -	\$ (683,158)	\$ -	\$ -	\$ -
2038	\$ (102,963)	\$ (2,713)	\$ -	\$ (2,170)	\$ (107,846)	\$ -	\$ (696,902)	\$ -	\$ -	\$ (696,902)	\$ -	\$ -	\$ -
2039	\$ (105,537)	\$ (2,781)	\$ -	\$ (2,225)	\$ (110,542)	\$ -	\$ (710,646)	\$ -	\$ -	\$ (710,646)	\$ -	\$ -	\$ -
2040	\$ (108,175)	\$ (2,850)	\$ -	\$ (2,280)	\$ (113,306)	\$ -	\$ (724,400)	\$ -	\$ -	\$ (724,400)	\$ -	\$ -	\$ -
2041	\$ (110,879)	\$ (2,922)	\$ -	\$ (2,337)	\$ (116,139)	\$ -	\$ (738,154)	\$ -	\$ -	\$ (738,154)	\$ -	\$ -	\$ -
2042	\$ (111,278)	\$ (2,995)	\$ -	\$ (2,396)	\$ (116,668)	\$ -	\$ (751,908)	\$ -	\$ -	\$ (751,908)	\$ -	\$ -	\$ -
2043	\$ (111,686)	\$ (3,070)	\$ -	\$ (2,456)	\$ (117,281)	\$ -	\$ (765,662)	\$ -	\$ -	\$ (765,662)	\$ -	\$ -	\$ -
										\$ (2,524,594)			
										\$ (20,369,485)			
										\$ (20,369,485)			



14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines; Production and Property Tax Calculations

Year	TOTAL Annual MT Electricity Production	Tax Payments Montana Tax Revenue	Taxable Value Montana Tax Revenue Code	Depreciation for Tax Calc Business Cash Value)	Actual Tax Owed for Business Cash Value)	Years (Cash Value) Business Cash Value)	Yearly Schedule Payment	June Payment Schedule	November Payment Schedule	TOTAL Annual Property Tax Payments	Green and Emerging Business	Green and Emerging Business
	\$0.00015 per kWh of Elect Sales	Straight line 20 year depreciation down to 20% minimum	Special Category Assets	3%	\$ 1,689,111					\$508,960 per \$1000/year	0.50896	50%
2014	\$ (1,026)	\$ 37,500,000	\$ 1,125,000	\$ 1,068,750	\$ 286,290	\$ (286,290)				\$ -	-	50%
2015	\$ (6,137)	\$ 35,625,000	\$ 1,068,750	\$ 271,976	\$ (271,976)	\$ (143,145)	\$ (286,290)			\$ (286,290)	50%	2
2016	\$ (6,137)	\$ 33,750,000	\$ 1,012,500	\$ 257,661	\$ (257,661)	\$ (135,988)	\$ (271,976)			\$ (271,976)	50%	3
2017	\$ (6,137)	\$ 31,875,000	\$ 956,250	\$ 243,347	\$ (243,347)	\$ (128,831)	\$ (257,661)			\$ (257,661)	50%	4
2018	\$ (6,137)	\$ 30,000,000	\$ 900,000	\$ 229,032	\$ (229,032)	\$ (121,673)	\$ (243,347)			\$ (243,347)	50%	5
2019	\$ (6,137)	\$ 28,125,000	\$ 843,750	\$ 174,774	\$ (257,661)	\$ (114,516)	\$ (229,032)			\$ (229,032)	40%	6
2020	\$ (6,137)	\$ 26,250,000	\$ 787,500	\$ 120,242	\$ (280,564)	\$ (128,831)	\$ (257,661)			\$ (257,661)	30%	7
2021	\$ (6,137)	\$ 24,375,000	\$ 731,250	\$ 74,435	\$ (297,742)	\$ (140,282)	\$ (280,564)			\$ (280,564)	20%	8
2022	\$ (6,137)	\$ 22,500,000	\$ 675,000	\$ 34,355	\$ (309,193)	\$ (148,871)	\$ (297,742)			\$ (297,742)	10%	9
2023	\$ (6,137)	\$ 20,625,000	\$ 618,750	\$ -	\$ (314,919)	\$ (154,597)	\$ (309,193)			\$ (309,193)	0%	10
2024	\$ (6,137)	\$ 18,750,000	\$ 562,500	\$ -	\$ (286,290)	\$ (157,460)	\$ (157,460)			\$ (157,460)	0%	11
2025	\$ (6,137)	\$ 16,875,000	\$ 506,250	\$ -	\$ (257,661)	\$ (143,145)	\$ (143,145)			\$ (143,145)	0%	12
2026	\$ (6,137)	\$ 15,000,000	\$ 450,000	\$ -	\$ (229,032)	\$ (128,831)	\$ (128,831)			\$ (128,831)	0%	13
2027	\$ (6,137)	\$ 13,125,000	\$ 393,750	\$ -	\$ (200,403)	\$ (114,516)	\$ (114,516)			\$ (114,516)	0%	14
2028	\$ (6,137)	\$ 11,250,000	\$ 337,500	\$ -	\$ (171,774)	\$ (100,202)	\$ (100,202)			\$ (100,202)	0%	15
2029	\$ (6,137)	\$ 9,375,000	\$ 281,250	\$ -	\$ (143,145)	\$ (85,887)	\$ (85,887)			\$ (85,887)	0%	16
2030	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (71,573)	\$ (71,573)			\$ (71,573)	0%	17
2031	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)			\$ (57,258)	0%	18
2032	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)			\$ (57,258)	0%	19
2033	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)			\$ (57,258)	0%	20
2034	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)			\$ (57,258)	0%	21
2035	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)			\$ (57,258)	0%	22
2036	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)			\$ (57,258)	0%	23
2037	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)			\$ (57,258)	0%	24
2038	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)			\$ (57,258)	0%	25
2039	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)			\$ (57,258)	0%	26
2040	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)			\$ (57,258)	0%	27
2041	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)			\$ (57,258)	0%	28
2042	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)			\$ (57,258)	0%	29
2043	\$ (6,137)	\$ 7,500,000	\$ 225,000	\$ -	\$ (114,516)	\$ (57,258)	\$ (57,258)			\$ (57,258)	0%	30
					\$ (179,004)	\$ (5,639,913)	\$ (5,639,913)			\$ (5,639,913)	\$ (5,639,913)	
												\$ (5,525,397)

14 MW Mainstrom Wind Project; (8) 1.80-MW Wind Turbines;

Summary of Project Tax Benefits

Year	FEDERAL ITC		STATE DEPRECIATION		FEDERAL LOSSES		STATE LOSSES		TOTAL CREDITS	
					(NOL) or Taxable Income		TEI		TEI	
	Eligible Costs	Reduction for ITC use			To P&L	Value	To P&L	(NOL) or Taxable Income	TEI	Value
2014	30.0%	Total ITC	Rate		6,056,250	16.15%	\$ 6,056,250	\$ 5,903,376	\$ 15,903,376	\$ 40,733.33
2015	30.0%	Allowables	%	20.00%	20.00%	25.84%	\$ 9,890,000	\$ 8,973,991	\$ 8,973,991	\$ 3,761,102
2016				32.00%	32.00%	15.50%	\$ 8,814,000	\$ 4,939,622	\$ 4,939,622	\$ 2,094,842
2017		To Project:		19.20%	19.20%	9.30%	\$ 3,488,400	\$ 2,572,407	\$ 2,572,407	\$ 1,037,839
2018	27.0%	\$ 10,125,000		11.52%	11.52%	9.30%	\$ 3,488,400	\$ 2,467,396	\$ 2,467,396	\$ 170,250
2019				5.76%	5.76%	4.65%	\$ 1,744,200	\$ 654,629	\$ 654,629	\$ 45,169
2020										
2021										
2022										
2023										
2024										
	\$ 10,125,000		NPV		\$ (7,388,953)		Discount Rate		8.0%	
	FED ITC - CASH GRANT		\$ (7,388,953)		\$ 1,764,428		MONTANA ITC		\$ 10,714,426	
	Tax Credit or Cash									

*Note: Total of Tax Benefits and Credit Summary for Tax Equity Investor Consideration. State benefits (tax credits) need certain investor profiles to use the credits. Idaho ITC is limited to 50% of the current year tax liability and can be carried forward up to 14 years. Need to check for similar restrictions for Montana.

*Federal ITC is not included on Transmission Upgrade and System Assets but includes distribution systems. Distributed Community Projects typically find about 90%-97% of project costs qualify. If Federal ITC is used as a cash grant, the total amount to depreciate is reduced by 15% as shown here. IF THE FEDERAL ITC IS USED AS A TAX CREDIT INSTEAD OF CASH GRANT THE DEPRECIATION IS NOT REDUCED BY 15%!! (As shown on the next sheet for the PTC) This effect is especially important with the BONUS up front loading. This can move the Unleveraged return by almost 1.5% which depending on debt rate can move the leveraged return by about 5% IRR. The greater the gap between the Unleveraged Project Return and the debt rate, the greater the impact on returns from the effect of debt leverage.

*If Bonus Depreciation is used it is taken up front and then the regular schedule follows for the 6 Total Years. Certain assets like shops and roads do not qualify for 5 year MACRS Depreciation. Modeling typically assumes 95% of total Capital Cost qualifies for the 5 Year MACRS. That is very conservative. On a larger project that number may be 98% or more.

*NOTE: The Depreciation is calculated here and then used on the income statement to determine the NET OPERATING LOSSES (NOLs) from that sheet to then calculate the after tax cash value of the Federal and State Credits to be taken off of the particular year tax liability.

*Always check the model to make sure the appropriate state incentive options are modeled correctly and the appropriate state is chosen in each case.

14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines;
Summary of Project Tax Benefits - PTC 10 Years - NO 15% Depreciation Reduction for ITC as Cash

		FEDERAL DEPRECIATION				STATE DEPRECIATION				FEDERAL LOSSES				STATE LOSSES				FEDERAL LOSSES				STATE LOSSES				CREDITS		TOTAL							
		FEDERAL DEPRECIATION		STATE DEPRECIATION		FEDERAL LOSSES		STATE LOSSES		FEDERAL LOSSES		STATE LOSSES		FEDERAL LOSSES		STATE LOSSES		FEDERAL LOSSES		STATE LOSSES		FEDERAL LOSSES		STATE LOSSES		FEDERAL LOSSES		STATE LOSSES		CREDITS			TOTAL		
Year	Eligible Costs %	Reduction for ITC use		Effective		To P&L		NOL or Taxable Income		TEI		TEI		Loss		TEI		NOL or Taxable Income		TEI		Loss		TEI		Value		TEI	Value	CREDITS			TOTAL		
Bonus	Std	w/Bonus	Rate																																
1	0%	20.00%	20.00%	19.00%	\$ 7,125,000	19.00%	\$ 6,937,128	\$ (6,972,128)	\$ 2,440,245	\$ (6,972,128)	\$ (6,972,128)	\$ (6,972,128)	\$ 481,077	0%	\$ -	-	100%	\$ -	100%	\$ 150,431	0%	\$ -	100%	\$ 3,073,753	0%	\$ -	100%	\$ 3,073,753	0%	\$ -	100%	\$ 3,073,753			
2	32.00%	32.00%	30.40%	\$ 11,400,000	30.40%	\$ 10,883,991	\$ (10,663,991)	\$ 3,739,397	\$ (10,663,991)	\$ 737,195	\$ 922,624	\$ 922,624	\$ 922,624	100%	\$ -	100%	\$ 922,624	100%	\$ 922,624	100%	\$ 5,399,216	100%	\$ 5,399,216	100%	\$ 5,399,216	100%	\$ 5,399,216	100%	\$ 5,399,216	100%	\$ 5,399,216				
3	19.20%	19.20%	18.24%	\$ 6,840,000	18.24%	\$ 6,025,622	\$ (6,025,622)	\$ 1,188,368	\$ (6,025,622)	\$ 415,768	\$ 605,622	\$ 605,622	\$ 605,622	100%	\$ -	100%	\$ 605,622	100%	\$ 605,622	100%	\$ 2,305,107	100%	\$ 2,305,107	100%	\$ 2,305,107	100%	\$ 2,305,107	100%	\$ 2,305,107	100%	\$ 2,305,107				
4	11.52%	11.52%	10.94%	\$ 4,104,000	10.94%	\$ 3,188,007	\$ (3,188,007)	\$ 1,045,949	\$ (3,188,007)	\$ 109,973	\$ 108,007	\$ 108,007	\$ 108,007	100%	\$ -	100%	\$ 108,007	100%	\$ 108,007	100%	\$ 983,311	100%	\$ 983,311	100%	\$ 983,311	100%	\$ 983,311	100%	\$ 983,311	100%	\$ 983,311				
5	11.52%	11.52%	10.94%	\$ 4,104,000	10.94%	\$ 3,082,986	\$ (3,082,986)	\$ 1,079,049	\$ (3,082,986)	\$ 121,727	\$ 108,986	\$ 108,986	\$ 108,986	100%	\$ -	100%	\$ 108,986	100%	\$ 108,986	100%	\$ 1,018,404	100%	\$ 1,018,404	100%	\$ 1,018,404	100%	\$ 1,018,404	100%	\$ 1,018,404	100%	\$ 1,018,404				
6	5.76%	5.76%	5.47%	\$ 2,052,000	5.47%	\$ 962,429	\$ (962,429)	\$ 336,850	\$ (962,429)	\$ 66,408	\$ 962,429	\$ 962,429	\$ 962,429	100%	\$ -	100%	\$ 962,429	100%	\$ 962,429	100%	\$ 1,043,864	100%	\$ 1,043,864	100%	\$ 1,043,864	100%	\$ 1,043,864	100%	\$ 1,043,864	100%	\$ 1,043,864				
7																																			
8																																			
9																																			
10																																			
11	0%	100%	100.00%	\$ 95.20%	\$ 35,625,000	\$ 95.00%	\$ 35,625,000	\$ 95.00%	\$ 35,625,000	\$ 95.00%	\$ 35,625,000	\$ 95.00%	\$ 35,625,000	\$ 95.00%	\$ 35,625,000	\$ 95.00%	\$ 35,625,000	\$ 95.00%	\$ 35,625,000	\$ 95.00%	\$ 35,625,000	\$ 95.00%	\$ 35,625,000	\$ 95.00%	\$ 35,625,000	\$ 95.00%	\$ 35,625,000	\$ 95.00%	\$ 35,625,000						
		Total Project Depreciation Amounts				FED				FED				FED				FED				FED				FED PTC			Fed-State						
		Discount Rate				NPV				NPV				NPV				NPV				NPV				NPV			NPV						
		8.0%				\$ (8,806,386)				\$ (8,806,386)				\$ (8,806,386)				\$ (8,806,386)				\$ (8,806,386)				\$ (6,420,924)			\$ (17,083,440)						

*Note: This sheet is a quick comparison of the effects of taking the ITC instead of the PTC - BUT ALSO THE NET EFFECT ON TAX CREDIT VALUE WITHOUT THE REDUCTIONS OF TAKING THE ITC AS CASH UP FRONT TO THE PROJECT.

If THE ITC IS TAKEN AS AN UP FRONT CASH PAYMENT THE ITC IS A TRUE INVESTMENT TAX CREDIT IS FAIR MORE VALUABLE WHEN YOU CONSIDER THE WRITEOFF VALUE OF THE EXTRA 15% OF DEPRECIATION - The Federal and State depreciation and NOL values as shown are applicable whether PTC or ITC is chosen - though this is not a true income Statement calculation, rather an added value estimation on this sheet. Notice in particular the NPI.

The greatest risk for the PTC model with normal business investors instead of the typical multi-billion dollar wind investors is the risk of reduced future tax liabilities that prevent full utilization of the credits. The larger investors have such a huge tax liability in proportion to the credits that there is theoretically no risk that the credits are under-utilized. Taking the ITC instead of the PTC and taking bonus depreciation on the Federal side creates a huge front end loading for the investor, but reduces the timing risk and moves the returns to a known quantifiable amount that is based on capital costs (known quantity) instead of project generation and revenues (higher capacity factor projects produce more Production Tax Credits). Few companies that can take the PTC can effectively use those credits to offset other business current STATE Tax Liabilities.

Montana has a 3.5% state investment tax credit (called Alternative Energy Production Credit [AEP]) but in every case the Property Tax Credit is worth far more since the AEP cannot be effectively used anyway and the investor is not allowed to use both.

14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines;

30 Year Annual Cash Flow Statement

Year	Project Gross & Net Earnings (KWhr)	Direct Energy Sales	Export Energy Sales	Off Air Base	Revenue	Total Revenues	Turbine and Project Fees	Insurance	Operation & Maintenance Expenses	Administrative Costs	Electric Energy Production Taxes	Productive Energy Taxes	Property Taxes	Loan Payment	Net Operating Cash Flow	Contract Year
2014	6,837,778	\$ 302,318	\$ 104,983	\$ 41,027	\$ 448,328	\$ -	\$ (28,800)	\$ (66,687)	\$ (11,667)	\$ (1,026)	\$ -	\$ (288,662)	\$ (376,821)	\$ 71,507	1	
2015	40,914,571	\$ 1,854,151	\$ 643,880	\$ 251,625	\$ 2,749,682	\$ -	\$ (177,120)	\$ (400,000)	\$ (57,761)	\$ (6,137)	\$ (286,290)	\$ (1,611,970)	\$ (2,10,403)	\$ 2		
2016	40,914,571	\$ 1,900,531	\$ 659,979	\$ 281,424	\$ 2,818,424	\$ -	\$ (181,548)	\$ (410,000)	\$ (59,205)	\$ (6,137)	\$ (271,976)	\$ (1,611,970)	\$ (2,540,836)	\$ 277,368	3	
2017	40,914,571	\$ 1,948,044	\$ 676,477	\$ 264,363	\$ 2,888,884	\$ -	\$ (186,087)	\$ (420,250)	\$ (60,685)	\$ (6,137)	\$ (287,661)	\$ (1,611,970)	\$ (2,542,790)	\$ 346,094	4	
2018	40,914,571	\$ 1,996,746	\$ 693,389	\$ 270,972	\$ 2,961,106	\$ -	\$ (190,739)	\$ (430,756)	\$ (62,202)	\$ (6,137)	\$ (243,347)	\$ (1,611,970)	\$ (2,545,151)	\$ 415,955	5	
2019	40,914,571	\$ 2,046,664	\$ 710,723	\$ 277,746	\$ 3,035,134	\$ -	\$ (195,075)	\$ (448,525)	\$ (63,757)	\$ (6,137)	\$ (229,032)	\$ (1,611,970)	\$ (2,587,929)	\$ 447,205	6	
2020	40,914,571	\$ 2,097,831	\$ 728,491	\$ 284,690	\$ 3,111,012	\$ -	\$ (200,395)	\$ (466,353)	\$ (65,351)	\$ (6,137)	\$ (287,661)	\$ (1,611,970)	\$ (2,655,078)	\$ 455,335	7	
2021	40,914,571	\$ 2,150,277	\$ 746,704	\$ 291,807	\$ 3,188,788	\$ -	\$ (205,405)	\$ (525,902)	\$ (66,985)	\$ (6,137)	\$ (280,564)	\$ (1,611,970)	\$ (2,695,964)	\$ 491,824	8	
2022	40,914,571	\$ 2,204,033	\$ 765,371	\$ 299,103	\$ 3,268,507	\$ -	\$ (210,540)	\$ (538,550)	\$ (68,680)	\$ (6,137)	\$ (287,742)	\$ (1,611,970)	\$ (2,733,598)	\$ 534,909	9	
2023	40,914,571	\$ 2,259,154	\$ 784,506	\$ 306,580	\$ 3,345,220	\$ -	\$ (215,804)	\$ (571,514)	\$ (70,736)	\$ (6,137)	\$ (309,193)	\$ (1,611,970)	\$ (2,784,94)	\$ 565,226	10	
2024	40,914,571	\$ 2,315,613	\$ 804,118	\$ 314,245	\$ 3,433,976	\$ -	\$ (221,199)	\$ (624,802)	\$ (72,136)	\$ (6,137)	\$ (314,919)	\$ (1,611,970)	\$ (2,835,162)	\$ 582,814	11	
2025	40,914,571	\$ 2,373,503	\$ 824,221	\$ 322,793	\$ 3,536,835	\$ 3,734,559	\$ -	\$ (226,729)	\$ (639,422)	\$ (78,234)	\$ (6,137)	\$ (286,290)	\$ (1,611,970)	\$ (2,848,781)	\$ 885,778	12
2026	40,914,571	\$ 2,432,841	\$ 844,827	\$ 330,255	\$ 3,644,407	\$ 3,827,923	\$ -	\$ (232,387)	\$ (654,407)	\$ (80,190)	\$ (6,137)	\$ (287,661)	\$ (1,611,970)	\$ (2,842,762)	\$ 985,161	13
2027	40,914,571	\$ 2,493,662	\$ 865,947	\$ 349,621	\$ 3,753,621	\$ -	\$ (238,207)	\$ (669,782)	\$ (82,194)	\$ (6,137)	\$ (229,032)	\$ (1,611,970)	\$ (2,837,307)	\$ 1,086,313	14	
2028	40,914,571	\$ 2,556,003	\$ 887,586	\$ 358,112	\$ 4,021,711	\$ -	\$ (244,162)	\$ (685,511)	\$ (84,249)	\$ (6,137)	\$ (200,403)	\$ (1,611,970)	\$ (2,832,433)	\$ 1,189,279	15	
2029	40,914,571	\$ 2,619,903	\$ 909,786	\$ 362,565	\$ 4,122,254	\$ -	\$ (250,266)	\$ (701,649)	\$ (86,355)	\$ (6,137)	\$ (171,774)	\$ (1,611,970)	\$ (2,828,152)	\$ 1,294,402	16	
2030	40,914,571	\$ 685,401	\$ 932,531	\$ 607,375	\$ 4,225,310	\$ -	\$ (256,523)	\$ (718,190)	\$ (88,514)	\$ (6,137)	\$ (143,145)	\$ (1,611,970)	\$ (2,842,479)	\$ 1,400,831	17	
2031	40,914,571	\$ 2,752,536	\$ 955,844	\$ 632,564	\$ 4,320,943	\$ -	\$ (262,936)	\$ (735,145)	\$ (90,727)	\$ (6,137)	\$ (143,516)	\$ (1,611,970)	\$ (2,824,431)	\$ 1,509,512	18	
2032	40,914,571	\$ 2,821,349	\$ 979,740	\$ 638,128	\$ 4,439,217	\$ -	\$ (269,509)	\$ (752,524)	\$ (92,985)	\$ (6,137)	\$ (114,516)	\$ (1,611,970)	\$ (2,847,651)	\$ 1,591,565	19	
2033	40,914,571	\$ 2,891,883	\$ 1,004,233	\$ 654,084	\$ 4,550,197	\$ -	\$ (276,247)	\$ (770,337)	\$ (95,320)	\$ (6,137)	\$ (114,516)	\$ (1,611,970)	\$ (2,874,527)	\$ 1,675,870	20	
2034	40,914,571	\$ 2,964,180	\$ 1,029,339	\$ 670,433	\$ 4,663,952	\$ -	\$ (283,153)	\$ (808,695)	\$ (97,703)	\$ (6,137)	\$ (114,516)	\$ (1,611,970)	\$ (2,853,038)	\$ 1,710,539	21	
2035	40,914,571	\$ 3,038,284	\$ 1,055,073	\$ 687,194	\$ 4,780,551	\$ -	\$ (290,232)	\$ (828,810)	\$ (100,146)	\$ (6,137)	\$ (114,516)	\$ (1,611,970)	\$ (2,839,985)	\$ 3,440,556	22	
2036	40,914,571	\$ 3,114,242	\$ 1,081,450	\$ 704,374	\$ 4,900,065	\$ -	\$ (297,488)	\$ (849,531)	\$ (102,650)	\$ (6,137)	\$ (114,516)	\$ (1,611,970)	\$ (1,370,631)	\$ 3,529,433	23	
2037	40,914,571	\$ 3,192,098	\$ 1,108,496	\$ 721,983	\$ 5,022,566	\$ -	\$ (304,925)	\$ (870,769)	\$ (105,216)	\$ (6,609)	\$ (114,516)	\$ (1,612,034)	\$ 3,620,532	\$ 3,620,532	24	
2038	40,914,571	\$ 3,267,190	\$ 1,136,198	\$ 740,032	\$ 5,148,130	\$ -	\$ (312,548)	\$ (892,538)	\$ (107,846)	\$ (6,774)	\$ (114,516)	\$ (1,611,970)	\$ (1,434,222)	\$ 3,713,308	25	
2039	40,914,571	\$ 3,333,698	\$ 1,164,603	\$ 758,533	\$ 5,276,834	\$ -	\$ (320,362)	\$ (914,851)	\$ (110,542)	\$ (6,944)	\$ (114,516)	\$ (1,611,970)	\$ (1,467,215)	\$ 3,809,619	26	
2040	40,914,571	\$ 3,437,540	\$ 1,193,718	\$ 777,497	\$ 5,408,755	\$ -	\$ (328,371)	\$ (937,723)	\$ (113,306)	\$ (7,117)	\$ (114,516)	\$ (1,611,970)	\$ (1,501,032)	\$ 3,907,722	27	
2041	40,914,571	\$ 3,523,478	\$ 1,223,561	\$ 786,934	\$ 5,543,973	\$ -	\$ (336,580)	\$ (961,166)	\$ (116,139)	\$ (7,295)	\$ (114,516)	\$ (1,611,970)	\$ (1,535,695)	\$ 4,008,278	28	
2042	40,914,571	\$ 3,523,478	\$ 1,223,561	\$ 816,857	\$ 5,563,897	\$ -	\$ (344,994)	\$ (985,195)	\$ (119,042)	\$ (7,478)	\$ (114,516)	\$ (1,611,970)	\$ (1,571,225)	\$ 3,992,672	29	
2043	40,914,571	\$ 3,523,478	\$ 1,223,561	\$ 837,279	\$ 5,584,318	\$ -	\$ (353,619)	\$ (1,009,825)	\$ (122,018)	\$ (7,665)	\$ (114,516)	\$ (1,610,643)	\$ (1,607,643)	\$ 3,976,676	30	
Totals	1,193,361,339	77,644,824	26,962,894	15,775,119	120,322,837	-	(7,442,387)	(20,369,485)	(2,552,174)	(186,389)	(5,529,397)	(32,239,398)	(68,295,230)	52,027,607		



14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines;

30 Year Profit & Loss Statement

Year	Energy Sales RECs Sales, ETO PMS, Other Revenue TOTAL Revenues	Transmission, Interconnection Fees TOTAL Expenses	Operation & Maintenance Expenses General Energy Costs Administrative Costs Electric Energy Taxes Property Taxes Loan Interest TOTAL Expenses	Net Income	
2014	\$ 302,318	\$ 146,009	\$ 448,328	\$ (28,800)	\$ (66,667)
2015	\$ 1,854,177	\$ 895,631	\$ 2,749,682	\$ -	\$ (11,667)
2016	\$ 1,900,531	\$ 917,893	\$ 2,818,424	\$ -	\$ (177,120)
2017	\$ 1,948,044	\$ 940,840	\$ 2,888,884	\$ -	\$ (181,548)
2018	\$ 1,986,746	\$ 964,367	\$ 2,951,106	\$ -	\$ (186,087)
2019	\$ 2,046,664	\$ 988,470	\$ 3,035,134	\$ -	\$ (195,507)
2020	\$ 2,097,831	\$ 1,013,182	\$ 3,111,012	\$ -	\$ (200,395)
2021	\$ 2,150,277	\$ 1,038,511	\$ 3,188,788	\$ -	\$ (210,540)
2022	\$ 2,204,033	\$ 1,064,474	\$ 3,268,507	\$ -	\$ (215,804)
2023	\$ 2,259,134	\$ 1,091,086	\$ 3,350,220	\$ -	\$ (221,199)
2024	\$ 2,315,613	\$ 1,118,363	\$ 3,433,976	\$ -	\$ (226,729)
2025	\$ 2,373,503	\$ 1,361,086	\$ 3,734,559	\$ -	\$ (232,397)
2026	\$ 2,432,841	\$ 1,395,082	\$ 3,827,973	\$ -	\$ (238,207)
2027	\$ 2,493,662	\$ 1,429,959	\$ 3,923,621	\$ -	\$ (244,162)
2028	\$ 2,556,003	\$ 1,465,708	\$ 4,021,711	\$ -	\$ (250,266)
2029	\$ 2,619,903	\$ 1,562,351	\$ 4,122,264	\$ -	\$ (256,523)
2030	\$ 2,685,401	\$ 1,559,910	\$ 4,225,305	\$ -	\$ (262,936)
2031	\$ 2,752,536	\$ 1,578,407	\$ 4,330,943	\$ -	\$ (269,509)
2032	\$ 2,821,349	\$ 1,617,868	\$ 4,439,217	\$ -	\$ (276,247)
2033	\$ 2,891,383	\$ 1,658,314	\$ 4,550,197	\$ -	\$ (283,153)
2034	\$ 2,964,180	\$ 1,689,772	\$ 4,663,982	\$ -	\$ (290,232)
2035	\$ 3,038,284	\$ 1,742,267	\$ 4,780,551	\$ -	\$ (297,488)
2036	\$ 3,114,242	\$ 1,785,823	\$ 4,910,065	\$ -	\$ (304,925)
2037	\$ 3,192,098	\$ 1,830,469	\$ 5,022,566	\$ -	\$ (312,548)
2038	\$ 3,271,900	\$ 1,876,230	\$ 5,148,130	\$ -	\$ (320,362)
2039	\$ 3,353,698	\$ 1,923,136	\$ 5,276,834	\$ -	\$ (328,371)
2040	\$ 3,437,540	\$ 1,971,215	\$ 5,408,755	\$ -	\$ (336,580)
2041	\$ 3,523,478	\$ 2,020,495	\$ 5,543,973	\$ -	\$ (344,944)
2042	\$ 3,523,478	\$ 2,040,478	\$ 5,583,887	\$ -	\$ (353,619)
2043	\$ 3,523,478	\$ 2,060,840	\$ 5,634,318	\$ -	\$ (360,564)



14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines; Federal and State Tax Liabilities - FULL NOL USE EACH YEAR

Year	State Tax Payable (Credit)	State ITC	Taxable Income (Loss)	State Depreciation	Federal Tax Credit for Prepaid Expenses	Federal ITC	Taxable Federal Income (Loss)	Depreciation Expenses
1	\$ (407,333)	\$ (5,903,378)	\$ (2,066,182)	\$ (6,056,250)	\$ (5,903,378)	\$ (5,903,378)	\$ (6,056,250)	\$ (3,140,897)
2	\$ (619,205)	\$ (8,973,391)	\$ (3,140,897)	\$ (9,690,000)	\$ (8,973,391)	\$ (4,999,622)	\$ (9,690,000)	\$ (4,999,622)
3	\$ (344,974)	\$ (4,999,622)	\$ (1,749,866)	\$ (5,814,000)	\$ (4,999,622)	\$ (2,572,407)	\$ (5,814,000)	\$ (2,572,407)
4	\$ (177,490)	\$ (2,572,407)	\$ (2,572,407)	\$ (3,488,400)	\$ (2,572,407)	\$ (177,490)	\$ (3,488,400)	\$ (177,490)
5	\$ (170,250)	\$ (2,467,398)	\$ (2,467,398)	\$ (3,488,400)	\$ (2,467,398)	\$ (170,250)	\$ (3,488,400)	\$ (170,250)
6	\$ (45,169)	\$ (654,629)	\$ (229,120)	\$ (1,744,200)	\$ (654,629)	\$ (78,517)	\$ (1,744,200)	\$ (78,517)
7	\$ (83,895)	\$ (1,137,321)	\$ (1,137,321)	\$ (388,075)	\$ (1,137,321)	\$ (83,895)	\$ (388,075)	\$ (83,895)
8	\$ (89,950)	\$ (1,215,874)	\$ (1,215,874)	\$ (426,902)	\$ (1,215,874)	\$ (89,950)	\$ (426,902)	\$ (89,950)
9	\$ (95,313)	\$ (1,303,616)	\$ (1,219,721)	\$ (451,986)	\$ (1,303,616)	\$ (95,313)	\$ (451,986)	\$ (95,313)
10	\$ (100,000)	\$ (1,381,346)	\$ (1,291,396)	\$ (473,885)	\$ (1,449,270)	\$ (100,000)	\$ (473,885)	\$ (100,000)
11	\$ (124,592)	\$ (1,449,270)	\$ (1,353,957)	\$ (473,885)	\$ (1,805,675)	\$ (124,592)	\$ (473,885)	\$ (124,592)
12	\$ (135,364)	\$ (1,506,986)	\$ (1,705,675)	\$ (596,986)	\$ (1,961,796)	\$ (135,364)	\$ (596,986)	\$ (135,364)
13	\$ (146,500)	\$ (1,633,024)	\$ (1,837,204)	\$ (643,024)	\$ (2,123,185)	\$ (146,500)	\$ (643,024)	\$ (146,500)
14	\$ (158,017)	\$ (1,785,821)	\$ (1,985,821)	\$ (685,737)	\$ (2,290,102)	\$ (158,017)	\$ (685,737)	\$ (158,017)
15	\$ (169,935)	\$ (2,290,102)	\$ (2,143,602)	\$ (750,261)	\$ (2,462,822)	\$ (169,935)	\$ (750,261)	\$ (169,935)
16	\$ (182,273)	\$ (2,462,822)	\$ (2,304,806)	\$ (806,682)	\$ (2,641,635)	\$ (182,273)	\$ (806,682)	\$ (182,273)
17	\$ (195,052)	\$ (2,641,635)	\$ (2,471,700)	\$ (865,095)	\$ (2,826,846)	\$ (195,052)	\$ (865,095)	\$ (195,052)
18	\$ (206,320)	\$ (2,826,846)	\$ (2,644,573)	\$ (925,601)	\$ (2,990,149)	\$ (206,320)	\$ (925,601)	\$ (206,320)
19	\$ (218,076)	\$ (2,990,149)	\$ (2,795,097)	\$ (978,284)	\$ (3,160,516)	\$ (218,076)	\$ (978,284)	\$ (218,076)
20	\$ (228,917)	\$ (3,160,516)	\$ (2,954,195)	\$ (1,033,968)	\$ (3,317,633)	\$ (228,917)	\$ (1,033,968)	\$ (228,917)
21	\$ (237,398)	\$ (3,317,633)	\$ (3,095,558)	\$ (1,084,845)	\$ (3,440,556)	\$ (237,398)	\$ (1,084,845)	\$ (237,398)
22	\$ (243,531)	\$ (3,440,556)	\$ (3,211,640)	\$ (1,124,074)	\$ (3,529,433)	\$ (243,531)	\$ (1,124,074)	\$ (243,531)
23	\$ (249,817)	\$ (3,529,433)	\$ (3,292,035)	\$ (1,152,212)	\$ (3,620,532)	\$ (249,817)	\$ (1,152,212)	\$ (249,817)
24	\$ (256,260)	\$ (3,620,532)	\$ (3,377,001)	\$ (1,181,950)	\$ (3,713,908)	\$ (256,260)	\$ (1,181,950)	\$ (256,260)
25	\$ (262,864)	\$ (3,713,908)	\$ (3,464,091)	\$ (1,212,432)	\$ (3,809,619)	\$ (262,864)	\$ (1,212,432)	\$ (262,864)
26	\$ (269,633)	\$ (3,809,619)	\$ (3,553,559)	\$ (1,243,676)	\$ (3,907,722)	\$ (269,633)	\$ (1,243,676)	\$ (269,633)
27	\$ (276,574)	\$ (3,907,722)	\$ (3,644,858)	\$ (1,275,700)	\$ (4,008,278)	\$ (276,574)	\$ (1,275,700)	\$ (276,574)
28	\$ (275,494)	\$ (4,008,278)	\$ (3,738,645)	\$ (1,308,526)	\$ (3,992,672)	\$ (275,494)	\$ (1,308,526)	\$ (275,494)
29	\$ (274,391)	\$ (3,992,672)	\$ (3,716,101)	\$ (1,300,635)	\$ (3,976,676)	\$ (274,391)	\$ (1,300,635)	\$ (274,391)
30	\$ (274,391)	\$ (3,976,676)	\$ (3,701,181)	\$ (1,295,413)	\$ (3,976,676)	\$ (274,391)	\$ (1,295,413)	\$ (274,391)

BASE CASE: Must Assume Tax Equity Investor has appropriate Federal and State Tax liabilities from other business activities and can carry the Net Operating Losses from the FEDERAL AND STATE calculations to offset other tax liabilities on a 1:1 basis so the net effect of such a TAX LOSS CARRY to the appropriate investor is as if the Tax Credit is CASH. Taking the ITC as Cash allows a medium sized business to be the wind investor. It becomes more difficult even to find an IN-STATE investor to use the couple million \$ of state tax credits that can offset other state liabilities. Note the Federal and State credits can be carried forward to future years, but their value diminishes so the investor needs to use them as they are created.



14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines; Federal and State Tax Liabilities - STATE NOL CARRYOVER IN PROJECT

Year	State Tax Payable (Credit)	State Tax Credit Carried Forward	State Tax Excess Credit	Total Federal Tax Expense Paid	Trade Federal Income Loss	Trade Deduction	Total Federal Expenses Paid	Trade Federal Loss	Federal Deduction Expenses Paid	Federal Tax Expenditure Credit	Total Deduction Expenses Paid	Trade Deduction Expenses Paid
1	\$ (407,333)	\$ (407,333)	\$ -	\$ (6,056,250)	\$ (5,903,378)	\$ -	\$ (6,056,250)	\$ (2,066,182)	\$ (8,973,981)	\$ (8,973,981)	\$ (9,680,000)	\$ (9,680,000)
2	\$ (619,205)	\$ (619,205)	\$ -	\$ (5,814,000)	\$ (4,989,622)	\$ (1,749,368)	\$ (5,814,000)	\$ (4,989,622)	\$ (3,140,891)	\$ (8,973,981)	\$ (8,973,981)	\$ (5,814,000)
3	\$ (1,371,512)	\$ (1,371,512)	\$ -	\$ (3,488,400)	\$ (2,572,407)	\$ (900,343)	\$ (3,488,400)	\$ (2,572,407)	\$ (5,814,000)	\$ (4,989,622)	\$ (3,140,891)	\$ (4,989,622)
4	\$ (1,549,008)	\$ (1,549,008)	\$ -	\$ (2,487,386)	\$ (2,467,386)	\$ (863,589)	\$ (2,487,386)	\$ (2,467,386)	\$ (654,629)	\$ (654,629)	\$ (654,629)	\$ (654,629)
5	\$ (1,719,259)	\$ (1,719,259)	\$ -	\$ (1,744,200)	\$ (1,744,200)	\$ (229,120)	\$ (1,744,200)	\$ (1,744,200)	\$ (1,137,921)	\$ (1,137,921)	\$ (1,137,921)	\$ (1,137,921)
6	\$ (1,764,428)	\$ (1,764,428)	\$ -	\$ (1,215,874)	\$ (1,215,874)	\$ (425,556)	\$ (1,215,874)	\$ (1,215,874)	\$ (785,177)	\$ (785,177)	\$ (785,177)	\$ (785,177)
7	\$ (1,685,912)	\$ (1,685,912)	\$ -	\$ (1,303,616)	\$ (1,303,616)	\$ (456,266)	\$ (1,303,616)	\$ (1,303,616)	\$ (83,895)	\$ (83,895)	\$ (83,895)	\$ (83,895)
8	\$ (1,602,016)	\$ (1,602,016)	\$ -	\$ (1,381,346)	\$ (1,381,346)	\$ (483,471)	\$ (1,381,346)	\$ (1,381,346)	\$ (89,950)	\$ (89,950)	\$ (89,950)	\$ (89,950)
9	\$ (1,512,067)	\$ (1,512,067)	\$ -	\$ (1,449,270)	\$ (1,449,270)	\$ (507,244)	\$ (1,449,270)	\$ (1,449,270)	\$ (1,316,754)	\$ (1,316,754)	\$ (1,316,754)	\$ (1,316,754)
10	\$ (1,316,754)	\$ (1,316,754)	\$ -	\$ (1,805,675)	\$ (1,805,675)	\$ (631,986)	\$ (1,805,675)	\$ (1,805,675)	\$ (124,692)	\$ (124,692)	\$ (124,692)	\$ (124,692)
11	\$ (1192,163)	\$ (1192,163)	\$ -	\$ (1,951,796)	\$ (1,951,796)	\$ (686,628)	\$ (1,951,796)	\$ (1,951,796)	\$ (135,364)	\$ (135,364)	\$ (135,364)	\$ (135,364)
12	\$ (1,056,799)	\$ (1,056,799)	\$ -	\$ (2,123,185)	\$ (2,123,185)	\$ (743,115)	\$ (2,123,185)	\$ (2,123,185)	\$ (146,500)	\$ (146,500)	\$ (146,500)	\$ (146,500)
13	\$ (910,289)	\$ (910,289)	\$ -	\$ (2,280,102)	\$ (2,280,102)	\$ (801,536)	\$ (2,280,102)	\$ (2,280,102)	\$ (158,017)	\$ (158,017)	\$ (158,017)	\$ (158,017)
14	\$ (724,282)	\$ (724,282)	\$ -	\$ (2,462,822)	\$ (2,462,822)	\$ (861,988)	\$ (2,462,822)	\$ (2,462,822)	\$ (169,985)	\$ (169,985)	\$ (169,985)	\$ (169,985)
15	\$ (582,347)	\$ (582,347)	\$ -	\$ (2,641,635)	\$ (2,641,635)	\$ (924,572)	\$ (2,641,635)	\$ (2,641,635)	\$ (182,273)	\$ (182,273)	\$ (182,273)	\$ (182,273)
16	\$ (400,075)	\$ (400,075)	\$ -	\$ (2,826,846)	\$ (2,826,846)	\$ (989,396)	\$ (2,826,846)	\$ (2,826,846)	\$ (195,052)	\$ (195,052)	\$ (195,052)	\$ (195,052)
17	\$ (205,022)	\$ (205,022)	\$ -	\$ (2,990,149)	\$ (2,990,149)	\$ (1,046,552)	\$ (2,990,149)	\$ (2,990,149)	\$ (206,320)	\$ (206,320)	\$ (206,320)	\$ (206,320)
18	\$ (1,298)	\$ (1,298)	\$ -	\$ (3,160,516)	\$ (3,160,516)	\$ (1,105,726)	\$ (3,160,516)	\$ (3,160,516)	\$ (218,076)	\$ (218,076)	\$ (218,076)	\$ (218,076)
19	\$ (262,864)	\$ (262,864)	\$ -	\$ (3,317,633)	\$ (3,317,633)	\$ (1,084,845)	\$ (3,317,633)	\$ (3,317,633)	\$ (228,917)	\$ (228,917)	\$ (228,917)	\$ (228,917)
20	\$ (262,864)	\$ (262,864)	\$ -	\$ (3,440,566)	\$ (3,211,640)	\$ (1,124,074)	\$ (3,440,566)	\$ (3,211,640)	\$ (1,124,074)	\$ (237,398)	\$ (237,398)	\$ (237,398)
21	\$ (262,864)	\$ (262,864)	\$ -	\$ (3,529,433)	\$ (3,292,035)	\$ (1,152,212)	\$ (3,529,433)	\$ (3,292,035)	\$ (1,152,212)	\$ (243,531)	\$ (243,531)	\$ (243,531)
22	\$ (262,864)	\$ (262,864)	\$ -	\$ (3,620,532)	\$ (3,377,001)	\$ (1,181,950)	\$ (3,620,532)	\$ (3,377,001)	\$ (1,181,950)	\$ (249,817)	\$ (249,817)	\$ (249,817)
23	\$ (256,260)	\$ (256,260)	\$ -	\$ (3,713,908)	\$ (3,464,091)	\$ (1,212,432)	\$ (3,713,908)	\$ (3,464,091)	\$ (1,212,432)	\$ (256,260)	\$ (256,260)	\$ (256,260)
24	\$ (256,260)	\$ (256,260)	\$ -	\$ (3,809,619)	\$ (3,553,359)	\$ (1,243,676)	\$ (3,809,619)	\$ (3,553,359)	\$ (1,243,676)	\$ (262,864)	\$ (262,864)	\$ (262,864)
25	\$ (262,864)	\$ (262,864)	\$ -	\$ (3,907,722)	\$ (3,644,858)	\$ (1,275,700)	\$ (3,907,722)	\$ (3,644,858)	\$ (1,275,700)	\$ (269,633)	\$ (269,633)	\$ (269,633)
26	\$ (262,864)	\$ (262,864)	\$ -	\$ (4,008,278)	\$ (3,738,645)	\$ (1,308,526)	\$ (4,008,278)	\$ (3,738,645)	\$ (1,308,526)	\$ (276,571)	\$ (276,571)	\$ (276,571)
27	\$ (276,571)	\$ (276,571)	\$ -	\$ (3,992,672)	\$ (3,716,101)	\$ (1,300,635)	\$ (3,992,672)	\$ (3,716,101)	\$ (1,300,635)	\$ (275,494)	\$ (275,494)	\$ (275,494)
28	\$ (275,494)	\$ (275,494)	\$ -	\$ (3,976,676)	\$ (3,701,181)	\$ (1,295,413)	\$ (3,976,676)	\$ (3,701,181)	\$ (1,295,413)	\$ (274,391)	\$ (274,391)	\$ (274,391)
29	\$ (274,391)	\$ (274,391)	\$ -	\$ (3,976,676)	\$ (3,701,181)	\$ (1,295,413)	\$ (3,976,676)	\$ (3,701,181)	\$ (1,295,413)	\$ (274,391)	\$ (274,391)	\$ (274,391)
30	\$ (274,391)	\$ (274,391)	\$ -	\$ (3,976,676)	\$ (3,701,181)	\$ (1,295,413)	\$ (3,976,676)	\$ (3,701,181)	\$ (1,295,413)	\$ (274,391)	\$ (274,391)	\$ (274,391)

Typical Wind Investment: NO STATE CREDIT CARRY - USED INTERNALLY BY PROJECT AND CARRIED FORWARD: This scenario results in a very inefficient use of the state credits and could result in over 15-20 years of operation before the State Tax Credits are fully used. It is doubtful that they could ultimately be fully utilized before expiring. With very large projects this is too problematic to find a local investment company. For community projects it is crucial to the business model and creates far greater local value besides the financial benefits themselves by keeping the profits local and increasing the local economy. Often the case is that State Credits get carried forward up to 20 years before the project can use them totally to offset the projects state tax liabilities.

14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines; Federal and State Tax ITC as CREDIT -NOT CASH - FULL NOL USE

Depreciation Expenses FULL VALUE	Federal EXPENSES FEDERAL Income	State EXPENSES w Credit for Prev Period	Federal Tax Credit for Prev Period	State Tax Credit for Prev Period	Federal ITC	State ITC	State Deduction	State Tax Payable (Credit)	State Tax Income (Loss)	Year
\$ 17,125,000	\$ (6,972,128)	\$ (6,972,128)	\$ (10,125,000)	\$ (12,565,245)	\$ (7,125,000)	\$ (6,972,128)	\$ -	\$ (481,077)	\$ 1	
\$ (11,400,000)	\$ (10,683,991)	\$ (10,683,991)	\$ (3,739,337)	\$ (2,108,968)	\$ (6,840,000)	\$ (10,683,991)	\$ -	\$ (737,795)	2	
\$ (6,840,000)	\$ (6,025,322)	\$ (6,025,322)	\$ (2,108,968)	\$ (1,115,803)	\$ (4,104,000)	\$ (6,025,622)	\$ -	\$ (415,768)	3	
\$ (4,104,000)	\$ (3,188,007)	\$ (3,188,007)	\$ (1,115,803)	\$ (1,079,049)	\$ (2,052,000)	\$ (3,188,007)	\$ -	\$ (219,973)	4	
\$ (4,104,000)	\$ (3,082,396)	\$ (3,082,396)	\$ (336,850)	\$ (336,850)	\$ (4,104,000)	\$ (3,082,396)	\$ -	\$ (212,727)	5	
\$ (2,052,000)	\$ (962,429)	\$ (962,429)	\$ 398,272	\$ 398,075	\$ (962,429)	\$ 1,137,921	\$ -	\$ (66,408)	6	
\$ 1,137,921	\$ 1,137,921	\$ 1,137,921	\$ 398,075	\$ 426,902	\$ 1,137,921	\$ 785,177	\$ -	\$ 83,895	7	
\$ 2,115,874	\$ 1,219,721	\$ 1,219,721	\$ 451,989	\$ 451,989	\$ 1,215,874	\$ 1,219,721	\$ -	\$ 83,895	8	
\$ 1,303,616	\$ 1,291,396	\$ 1,291,396	\$ 473,885	\$ 473,885	\$ 1,303,616	\$ 889,950	\$ -	\$ 95,313	9	
\$ 1,381,146	\$ 1,353,957	\$ 1,353,957	\$ 596,986	\$ 596,986	\$ 1,381,146	\$ 1,439,270	\$ 100,000	\$ 11	10	
\$ 1,449,270	\$ 1,705,675	\$ 1,705,675	\$ 643,021	\$ 643,021	\$ 1,449,270	\$ 1,805,675	\$ 124,592	\$ 12	11	
\$ 1,805,675	\$ 1,961,196	\$ 1,837,204	\$ 695,737	\$ 695,737	\$ 1,805,675	\$ 1,961,196	\$ 135,564	\$ 13	12	
\$ 1,961,196	\$ 2,123,185	\$ 1,987,821	\$ 750,261	\$ 750,261	\$ 1,961,196	\$ 2,123,185	\$ 146,500	\$ 14	13	
\$ 2,290,102	\$ 2,143,602	\$ 2,304,805	\$ 806,682	\$ 806,682	\$ 2,290,102	\$ 2,462,822	\$ 158,017	\$ 15	14	
\$ 2,462,922	\$ 2,304,805	\$ 2,304,805	\$ 865,095	\$ 865,095	\$ 2,462,922	\$ 2,462,922	\$ 169,935	\$ 16	15	
\$ 2,641,535	\$ 2,471,700	\$ 2,644,573	\$ 925,601	\$ 925,601	\$ 2,641,535	\$ 2,826,846	\$ 182,273	\$ 17	16	
\$ 2,826,346	\$ 2,795,097	\$ 2,795,097	\$ 978,284	\$ 978,284	\$ 2,826,346	\$ 2,990,149	\$ 195,052	\$ 18	17	
\$ 2,990,149	\$ 3,160,516	\$ 3,054,195	\$ 1,033,968	\$ 1,033,968	\$ 2,990,149	\$ 3,160,516	\$ 206,320	\$ 19	18	
\$ 3,160,516	\$ 3,317,533	\$ 3,098,558	\$ 1,084,845	\$ 1,084,845	\$ 3,160,516	\$ 3,317,633	\$ 228,917	\$ 20	19	
\$ 3,440,556	\$ 3,211,640	\$ 1,124,074	\$ 1,152,212	\$ 1,152,212	\$ 3,440,556	\$ 3,440,556	\$ 237,398	\$ 21	20	
\$ 3,529,433	\$ 3,292,035	\$ 3,377,001	\$ 1,181,950	\$ 1,181,950	\$ 3,529,433	\$ 3,529,433	\$ 243,531	\$ 22	21	
\$ 3,620,532	\$ 3,464,091	\$ 3,464,091	\$ 1,212,432	\$ 1,212,432	\$ 3,620,532	\$ 3,713,908	\$ 249,817	\$ 23	22	
\$ 3,713,908	\$ 3,553,519	\$ 3,553,519	\$ 1,243,676	\$ 1,243,676	\$ 3,713,908	\$ 3,809,619	\$ 256,260	\$ 24	23	
\$ 3,809,619	\$ 3,907,722	\$ 3,644,858	\$ 1,275,700	\$ 1,275,700	\$ 3,809,619	\$ 3,907,722	\$ 262,664	\$ 25	24	
\$ 4,008,278	\$ 3,738,645	\$ 1,308,566	\$ 1,308,566	\$ 1,308,566	\$ 4,008,278	\$ 4,008,278	\$ 269,333	\$ 26	25	
\$ 3,992,572	\$ 3,716,101	\$ 1,300,635	\$ 1,300,635	\$ 1,300,635	\$ 3,992,572	\$ 3,992,572	\$ 276,571	\$ 27	26	
\$ 3,976,676	\$ 3,701,181	\$ 1,295,413	\$ 1,295,413	\$ 1,295,413	\$ 3,976,676	\$ 3,976,676	\$ 274,391	\$ 29	28	

OPTIMUM CASE: This sheet is the most effective financial solution to take the ITC as a true investment tax credit up front. This effectively boosts the Depreciation to 95% as modeled of the total project value. Taking the ITC as cash reduces the depreciation to 85% of the allowable amount which in this model resulted in a total depreciation value of 80.8% of the total project value. Both cases may be conservative, but clearly the value of taking the ITC as a credit upfront and the full value of the depreciation is a huge benefit to the project in total credits and overall returns. It is hard to say what credits will exist for this type of project in the future.

14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines; Federal and State Tax Liabilities - PRODUCTION TAX CREDIT PTC MODEL

	Depreciation Expense (Loss)	Taxable EDITION Income	FEDERAL Credit for PTC	FEDERAL PRODUCTION Credit for PTC	State Depreciation FULL VALUE	State Depreciation FULL VALUE (Loss)	State EDITION Income	FEDERAL PRODUCTION Credit for PTC	State Tax Liability
2014	\$ (7,125,000)	\$ (6,972,128)	\$ (10,683,991)	\$ (6,972,128)	\$ (2,590,676)	\$ (7,125,000)	\$ (6,972,128)	\$ (481,077)	\$ (481,077)
2015	\$ (11,400,000)	\$ (6,025,622)	\$ (6,025,622)	\$ (922,624)	\$ (945,689)	\$ (11,400,000)	\$ (10,683,991)	\$ -	\$ (737,195)
2016	\$ (6,840,000)	\$ (3,188,007)	\$ (3,188,007)	\$ (6,840,000)	\$ (3,054,657)	\$ (6,840,000)	\$ (6,025,622)	\$ (415,768)	\$ (1,634,040)
2017	\$ (4,104,000)	\$ (3,188,007)	\$ (3,188,007)	\$ (669,333)	\$ (2,085,134)	\$ (4,104,000)	\$ (3,188,007)	\$ -	\$ (219,973)
2018	\$ (4,104,000)	\$ (3,082,996)	\$ (3,082,996)	\$ (962,429)	\$ (1,018,404)	\$ (4,104,000)	\$ (3,082,996)	\$ -	\$ (212,727)
2019	\$ (2,052,000)	\$ (962,429)	\$ (962,429)	\$ (962,429)	\$ (1,358,254)	\$ (2,052,000)	\$ (962,429)	\$ -	\$ (66,408)
2020	\$ (1,137,921)	\$ (1,137,921)	\$ (1,043,864)	\$ (645,592)	\$ (645,592)	\$ (1,137,921)	\$ (1,137,921)	\$ -	\$ (78,517)
2021	\$ (1,215,874)	\$ (1,215,874)	\$ (1,069,360)	\$ (644,405)	\$ (644,405)	\$ (1,215,874)	\$ (1,215,874)	\$ -	\$ (1,970,735)
2022	\$ (1,303,616)	\$ (1,303,616)	\$ (1,096,710)	\$ (640,444)	\$ (640,444)	\$ (1,303,616)	\$ (1,303,616)	\$ -	\$ (89,350)
2023	\$ (1,381,346)	\$ (1,381,346)	\$ (1,124,127)	\$ (640,656)	\$ (640,656)	\$ (1,381,346)	\$ (1,381,346)	\$ -	\$ (95,313)
2024	\$ (1,449,270)	\$ (1,449,270)	\$ (1,056,211)	\$ (548,367)	\$ (548,367)	\$ (1,449,270)	\$ (1,449,270)	\$ -	\$ (100,000)
2025	\$ (1,805,675)	\$ (1,805,675)	\$ (631,986)	\$ (631,986)	\$ (631,986)	\$ (1,805,675)	\$ (1,805,675)	\$ -	\$ (124,592)
2026	\$ (1,961,796)	\$ (1,961,796)	\$ (686,628)	\$ (686,628)	\$ (686,628)	\$ (1,961,796)	\$ (1,961,796)	\$ -	\$ (135,364)
2027	\$ (2,123,185)	\$ (2,123,185)	\$ (743,115)	\$ (743,115)	\$ (743,115)	\$ (2,123,185)	\$ (2,123,185)	\$ -	\$ (1,425,513)
2028	\$ (2,280,102)	\$ (2,280,102)	\$ (801,536)	\$ (801,536)	\$ (801,536)	\$ (2,280,102)	\$ (2,280,102)	\$ -	\$ (146,500)
2029	\$ (2,462,822)	\$ (2,462,822)	\$ (861,988)	\$ (861,988)	\$ (861,988)	\$ (2,462,822)	\$ (2,462,822)	\$ -	\$ (158,017)
2030	\$ (2,641,635)	\$ (2,641,635)	\$ (924,572)	\$ (924,572)	\$ (924,572)	\$ (2,641,635)	\$ (2,641,635)	\$ -	\$ (169,335)
2031	\$ (2,826,846)	\$ (2,826,846)	\$ (989,396)	\$ (989,396)	\$ (989,396)	\$ (2,826,846)	\$ (2,826,846)	\$ -	\$ (195,052)
2032	\$ (2,980,149)	\$ (2,980,149)	\$ (1,046,552)	\$ (1,046,552)	\$ (1,046,552)	\$ (2,980,149)	\$ (2,980,149)	\$ -	\$ (206,320)
2033	\$ (3,160,516)	\$ (3,160,516)	\$ (1,106,180)	\$ (1,106,180)	\$ (1,106,180)	\$ (3,160,516)	\$ (3,160,516)	\$ -	\$ (210,076)
2034	\$ (3,317,633)	\$ (3,317,633)	\$ (1,161,172)	\$ (1,161,172)	\$ (1,161,172)	\$ (3,317,633)	\$ (3,317,633)	\$ -	\$ (228,917)
2035	\$ (3,440,566)	\$ (3,440,566)	\$ (1,176,345)	\$ (1,176,345)	\$ (1,176,345)	\$ (3,440,566)	\$ (3,440,566)	\$ -	\$ (237,398)
2036	\$ (3,529,433)	\$ (3,529,433)	\$ (1,152,212)	\$ (1,152,212)	\$ (1,152,212)	\$ (3,529,433)	\$ (3,529,433)	\$ -	\$ (243,531)
2037	\$ (3,620,532)	\$ (3,377,001)	\$ (1,181,950)	\$ (1,181,950)	\$ (1,181,950)	\$ (3,620,532)	\$ (3,620,532)	\$ -	\$ (249,817)
2038	\$ (3,713,908)	\$ (3,464,091)	\$ (1,212,432)	\$ (1,212,432)	\$ (1,212,432)	\$ (3,713,908)	\$ (3,713,908)	\$ -	\$ (256,260)
2039	\$ (3,809,619)	\$ (3,553,359)	\$ (1,243,676)	\$ (1,243,676)	\$ (1,243,676)	\$ (3,809,619)	\$ (3,809,619)	\$ -	\$ (262,864)
2040	\$ (3,907,722)	\$ (3,644,888)	\$ (1,275,700)	\$ (1,275,700)	\$ (1,275,700)	\$ (3,907,722)	\$ (3,907,722)	\$ -	\$ (269,633)
2041	\$ (4,008,278)	\$ (3,738,645)	\$ (1,308,326)	\$ (1,308,326)	\$ (1,308,326)	\$ (4,008,278)	\$ (4,008,278)	\$ -	\$ (276,571)
2042	\$ (3,902,672)	\$ (3,716,101)	\$ (1,300,635)	\$ (1,300,635)	\$ (1,300,635)	\$ (3,902,672)	\$ (3,902,672)	\$ -	\$ (275,494)
2043	\$ (3,976,676)	\$ (3,701,181)	\$ (1,295,413)	\$ (1,295,413)	\$ (1,295,413)	\$ (3,976,676)	\$ (3,976,676)	\$ -	\$ (274,391)

Special PRODUCTION TAX CREDIT PTC Case: This scenario shows the effect of the PTC credits with the full depreciation value. The state credits and payable tax are the same as the ITC model, the Federal part of the model is significantly different of course. The total federal credits are driven completely by energy KWh production levels and produce through 10 full years from project on-line date. Often companies that can fully use the PTC do not have tax liabilities in the states of the project construction. The far right column shows the effect of carrying the state credit forward instead of offsetting other business State Tax liabilities more than 20 years. Some portion of those credits may expire before using them in that time frame.

14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines; After Tax Cash and Credits Profitability Statement

Year	TOTAL Revenues	TOTAL Expenses	Net Operating Cash Flow	State Tax Payable	Federal Tax Payable	Net AFTER TAX Payments Cash Flow	State Tax Credits - Capitalized to Other Businesses	Federal Credits - Capitalized to Other Businesses	Total Profits Returns - Capitalized to Other Businesses	Cash and Credit Values	ITC Equivalent Equity	20 Year IRR:
											\$ 10,125,000	16%
											\$ 8,625,000	
2014	\$ 448,328	\$ (376,821)	\$ 71,507	\$ -	\$ -	\$ 71,507	\$ 2,066,182	\$ 407,333	\$ 2,545,023	\$ 619,205	\$ 3,970,506	
2015	\$ 2,749,682	\$ (2,539,278)	\$ 210,403	\$ 2	\$ -	\$ 210,403	\$ 3,140,897	\$ -	\$ -	\$ 3,372,429	\$ 344,974	
2016	\$ 2,818,424	\$ (2,540,836)	\$ 277,588	\$ 3	\$ -	\$ 277,588	\$ 1,749,868	\$ -	\$ -	\$ 1,423,933	\$ 346,094	
2017	\$ 2,888,884	\$ (2,542,790)	\$ 346,094	\$ 4	\$ -	\$ 346,094	\$ 900,343	\$ -	\$ -	\$ 1,449,794	\$ 177,496	
2018	\$ 2,961,106	\$ (2,545,151)	\$ 415,955	\$ 5	\$ -	\$ 415,955	\$ 863,589	\$ -	\$ -	\$ 170,250	\$ -	
2019	\$ 3,035,134	\$ (2,587,929)	\$ 447,205	\$ 6	\$ -	\$ 447,205	\$ 229,120	\$ -	\$ 45,169	\$ 721,494	\$ -	
2020	\$ 3,111,012	\$ (2,655,078)	\$ 455,935	\$ 7	\$ 398,272	\$ 78,517	\$ (20,854)	\$ -	\$ -	\$ -	\$ (20,854)	
2021	\$ 3,188,788	\$ (2,696,364)	\$ 491,824	\$ 8	\$ 83,895	\$ 9,854	\$ -	\$ -	\$ -	\$ -	\$ 9,854	
2022	\$ 3,268,507	\$ (2,733,598)	\$ 534,909	\$ 9	\$ 426,902	\$ 89,950	\$ 18,057	\$ -	\$ -	\$ -	\$ 18,057	
2023	\$ 3,350,220	\$ (2,784,994)	\$ 565,226	\$ 10	\$ 451,989	\$ 95,313	\$ 17,925	\$ -	\$ -	\$ -	\$ 17,925	
2024	\$ 3,433,976	\$ (2,851,162)	\$ 582,814	\$ 11	\$ 473,885	\$ 100,000	\$ 8,929	\$ -	\$ -	\$ -	\$ 8,929	
2025	\$ 3,734,559	\$ (2,848,781)	\$ 885,171	\$ 12	\$ 596,686	\$ 124,592	\$ 164,200	\$ -	\$ -	\$ -	\$ 164,200	
2026	\$ 3,827,923	\$ (2,842,762)	\$ 985,161	\$ 13	\$ 643,021	\$ 135,364	\$ 206,776	\$ -	\$ -	\$ -	\$ 206,776	
2027	\$ 3,923,621	\$ (2,837,307)	\$ 1,086,313	\$ 14	\$ 695,737	\$ 146,500	\$ 244,076	\$ -	\$ -	\$ -	\$ 244,076	
2028	\$ 4,021,711	\$ (2,832,433)	\$ 1,189,279	\$ 15	\$ 750,261	\$ 158,017	\$ 281,001	\$ -	\$ -	\$ -	\$ 281,001	
2029	\$ 4,122,254	\$ (2,828,152)	\$ 1,294,102	\$ 16	\$ 806,682	\$ 169,935	\$ 317,486	\$ -	\$ -	\$ -	\$ 317,486	
2030	\$ 4,225,310	\$ (2,848,479)	\$ 1,400,831	\$ 17	\$ 855,095	\$ 182,273	\$ 353,463	\$ -	\$ -	\$ -	\$ 353,463	
2031	\$ 4,330,943	\$ (2,821,431)	\$ 1,509,512	\$ 18	\$ 925,601	\$ 195,052	\$ 388,859	\$ -	\$ -	\$ -	\$ 388,859	
2032	\$ 4,439,217	\$ (2,847,151)	\$ 1,591,565	\$ 19	\$ 978,284	\$ 206,320	\$ 406,961	\$ -	\$ -	\$ -	\$ 406,961	
2033	\$ 4,550,197	\$ (2,874,527)	\$ 1,675,670	\$ 20	\$ 1,033,968	\$ 218,076	\$ 423,626	\$ -	\$ -	\$ -	\$ 423,626	
2034	\$ 4,663,952	\$ (2,653,413)	\$ 2,010,539	\$ 21	\$ 1,034,845	\$ 228,917	\$ 696,777	\$ -	\$ -	\$ -	\$ 696,777	
2035	\$ 4,780,551	\$ (1,339,995)	\$ 3,440,556	\$ 22	\$ 1,124,074	\$ 237,398	\$ 2,079,084	\$ -	\$ -	\$ -	\$ 2,079,084	
2036	\$ 4,900,065	\$ (1,370,631)	\$ 3,529,433	\$ 23	\$ 1,152,212	\$ 243,531	\$ 2,133,690	\$ -	\$ -	\$ -	\$ 2,133,690	
2037	\$ 5,022,566	\$ (1,402,034)	\$ 3,620,532	\$ 24	\$ 1,181,950	\$ 249,817	\$ 2,188,765	\$ -	\$ -	\$ -	\$ 2,188,765	
2038	\$ 5,148,130	\$ (1,434,222)	\$ 3,713,908	\$ 25	\$ 1,212,432	\$ 256,260	\$ 2,245,216	\$ -	\$ -	\$ -	\$ 2,245,216	
2039	\$ 5,276,834	\$ (1,467,215)	\$ 3,809,619	\$ 26	\$ 1,243,676	\$ 262,864	\$ 2,303,079	\$ -	\$ -	\$ -	\$ 2,303,079	
2040	\$ 5,408,755	\$ (1,504,032)	\$ 3,907,722	\$ 27	\$ 1,275,700	\$ 269,633	\$ 2,362,389	\$ -	\$ -	\$ -	\$ 2,362,389	
2041	\$ 5,543,973	\$ (1,535,695)	\$ 4,008,278	\$ 28	\$ 1,308,526	\$ 276,571	\$ 2,423,181	\$ -	\$ -	\$ -	\$ 2,423,181	
2042	\$ 5,663,897	\$ (1,574,225)	\$ 3,992,672	\$ 29	\$ 1,300,635	\$ 275,494	\$ 2,446,542	\$ -	\$ -	\$ -	\$ 2,446,542	
2043	\$ 5,884,318	\$ (1,607,643)	\$ 3,976,676	\$ 30	\$ 1,295,413	\$ 274,391	\$ 2,406,872	\$ -	\$ -	\$ -	\$ 2,406,872	
Totals	120,322,837	(68,295,230)	21,624,223		52,027,607	4,558,677	25,844,707	8,949,998	-	1,764,428	36,559,134	

Note: NPV totals are simply the equivalent value of the following revenue streams which represent after tax cash and credits assuming each are equally usable by an investor. (Thus a Federal and a State credit in a given year is worth the same equivalent as the cash money which is quite low. Clearly the wind business is more credit driven than cash.

14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines; After Tax Cash and Credits Profitability - Internal Carryover of State Tax Credits Only

Year	TOTAL Revenues	TOTAL Expenses	Net Operating Cash Flow	Net AFTER TAX Cash Flow	Federal CREDITS - Carried to Other Businesses	State CREDITS - Carried to Other Businesses	Tax Liabilities to Other Businesses	Total Project Credit Values	ITC Equivalent Equity	20 Year IRR:	
2014	\$ 448,328	\$ (376,821)	\$ 71,507	\$ 71,507	\$ -	\$ -	\$ -	\$ 2,066,182	\$ 10,125,000	12%	\$ 2,137,690
2015	\$ 2,749,682	\$ (2,539,278)	\$ 210,403	\$ 210,403	\$ -	\$ -	\$ -	\$ 3,140,897	\$ 8,625,000	12%	\$ 3,351,300
2016	\$ 2,818,424	\$ (2,540,836)	\$ 277,588	\$ 277,588	\$ -	\$ -	\$ -	\$ 277,588	\$ 2,027,456	12%	\$ 1,749,868
2017	\$ 2,888,884	\$ (2,542,790)	\$ 346,094	\$ 346,094	\$ -	\$ -	\$ -	\$ 346,094	\$ 1,246,437	12%	\$ 1,246,437
2018	\$ 2,961,106	\$ (2,545,151)	\$ 415,955	\$ 415,955	\$ -	\$ -	\$ -	\$ 415,955	\$ 863,589	12%	\$ 1,279,544
2019	\$ 3,035,134	\$ (2,587,928)	\$ 447,205	\$ 447,205	\$ -	\$ -	\$ -	\$ 447,205	\$ 676,325	12%	\$ 229,120
2020	\$ 3,111,012	\$ (2,655,078)	\$ 455,935	\$ 455,935	\$ -	\$ -	\$ -	\$ 57,662	\$ 57,662	12%	\$ 57,662
2021	\$ 3,188,788	\$ (2,696,964)	\$ 491,824	\$ 491,824	\$ -	\$ -	\$ -	\$ 66,268	\$ 66,268	12%	\$ 66,268
2022	\$ 3,268,507	\$ (2,733,598)	\$ 534,909	\$ 534,909	\$ -	\$ -	\$ -	\$ 78,643	\$ 78,643	12%	\$ 78,643
2023	\$ 3,350,220	\$ (2,784,994)	\$ 565,226	\$ 565,226	\$ -	\$ -	\$ -	\$ 81,755	\$ 81,755	12%	\$ 81,755
2024	\$ 3,433,976	\$ (2,851,162)	\$ 582,814	\$ 582,814	\$ -	\$ -	\$ -	\$ 75,569	\$ 75,569	12%	\$ 75,569
2025	\$ 3,734,559	\$ (2,848,781)	\$ 585,778	\$ 585,778	\$ -	\$ -	\$ -	\$ 253,791	\$ 253,791	12%	\$ 253,791
2026	\$ 3,827,923	\$ (2,842,762)	\$ 585,161	\$ 585,161	\$ -	\$ -	\$ -	\$ 298,533	\$ 298,533	12%	\$ 298,533
2027	\$ 3,923,621	\$ (2,837,307)	\$ 1,086,313	\$ 1,086,313	\$ -	\$ -	\$ -	\$ 343,199	\$ 343,199	12%	\$ 343,199
2028	\$ 4,021,711	\$ (2,832,433)	\$ 1,189,279	\$ 1,189,279	\$ -	\$ -	\$ -	\$ 387,743	\$ 387,743	12%	\$ 387,743
2029	\$ 4,122,254	\$ (2,828,152)	\$ 1,294,102	\$ 1,294,102	\$ -	\$ -	\$ -	\$ 432,115	\$ 432,115	12%	\$ 432,115
2030	\$ 4,225,310	\$ (2,824,479)	\$ 1,400,831	\$ 1,400,831	\$ -	\$ -	\$ -	\$ 476,259	\$ 476,259	12%	\$ 476,259
2031	\$ 4,330,943	\$ (2,821,431)	\$ 1,509,512	\$ 1,509,512	\$ -	\$ -	\$ -	\$ 520,116	\$ 520,116	12%	\$ 520,116
2032	\$ 4,439,247	\$ (2,847,651)	\$ 1,591,565	\$ 1,591,565	\$ -	\$ -	\$ -	\$ 543,715	\$ 543,715	12%	\$ 543,715
2033	\$ 4,550,197	\$ (2,874,527)	\$ 1,675,670	\$ 1,675,670	\$ -	\$ -	\$ -	\$ 351,868	\$ 351,868	12%	\$ 351,868
2034	\$ 4,663,952	\$ (2,653,413)	\$ 2,010,539	\$ 2,010,539	\$ -	\$ -	\$ -	\$ 696,777	\$ 696,777	12%	\$ 696,777
2035	\$ 4,780,551	\$ (1,339,995)	\$ 3,440,556	\$ 3,440,556	\$ -	\$ -	\$ -	\$ 2,079,084	\$ 2,079,084	12%	\$ 2,079,084
2036	\$ 4,900,065	\$ (1,370,631)	\$ 3,529,433	\$ 3,529,433	\$ -	\$ -	\$ -	\$ 243,531	\$ 2,133,690	12%	\$ 2,133,690
2037	\$ 5,022,566	\$ (1,402,034)	\$ 3,620,532	\$ 3,620,532	\$ -	\$ -	\$ -	\$ 1,181,950	\$ 1,181,950	12%	\$ 1,181,950
2038	\$ 5,148,130	\$ (1,434,222)	\$ 3,713,908	\$ 3,713,908	\$ -	\$ -	\$ -	\$ 218,076	\$ 218,076	12%	\$ 218,076
2039	\$ 5,276,834	\$ (1,467,215)	\$ 3,809,619	\$ 3,809,619	\$ -	\$ -	\$ -	\$ 1,084,845	\$ 1,084,845	12%	\$ 1,084,845
2040	\$ 5,408,755	\$ (1,501,032)	\$ 3,907,722	\$ 3,907,722	\$ -	\$ -	\$ -	\$ 1,243,676	\$ 1,243,676	12%	\$ 1,243,676
2041	\$ 5,543,973	\$ (1,535,695)	\$ 4,008,278	\$ 4,008,278	\$ -	\$ -	\$ -	\$ 1,308,526	\$ 1,308,526	12%	\$ 1,308,526
2042	\$ 5,563,897	\$ (1,571,225)	\$ 3,992,672	\$ 3,992,672	\$ -	\$ -	\$ -	\$ 275,494	\$ 275,494	12%	\$ 275,494
2043	\$ 5,584,318	\$ (1,607,643)	\$ 3,976,676	\$ 3,976,676	\$ -	\$ -	\$ -	\$ 1,295,413	\$ 1,295,413	12%	\$ 1,295,413
Totals	120,322,837	(68,295,230)	52,027,607	52,027,607	-	-	-	2,794,249	2,794,249	-	2,794,249



14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines;

After Tax Cash and Credits Profitability - Using ITC as Year 0 Immediate Credit instead of Cash Payment

Year	TOTAL Revenues	TOTAL Expenses	Net Operating Cash Flow	DAHO Stake Payable from Project	Net AFTER TAX Payments	21 Yr NPV = \$4,107,710 at 12%
2014	\$ 448,328	\$ (376,821)	\$ 71,507	1	\$ 210,403	\$ 1,621,407 at 12%
2015	\$ 2,749,682	\$ (2,539,278)	\$ 210,403	2	\$ 277,588	\$ 1,607,303
2016	\$ 2,818,424	\$ (2,540,836)	\$ 346,094	3	\$ 415,955	\$ 1,621,407
2017	\$ 2,888,884	\$ (2,542,790)	\$ 415,955	4	\$ 447,205	\$ 1,607,303
2018	\$ 2,961,106	\$ (2,545,151)	\$ 447,205	5	\$ 398,272	\$ 1,621,407
2019	\$ 3,035,134	\$ (2,587,929)	\$ 398,272	6	\$ 78,517	\$ 1,621,407
2020	\$ 3,111,012	\$ (2,655,078)	\$ 78,517	7	\$ 398,075	\$ 1,621,407
2021	\$ 3,188,788	\$ (2,696,964)	\$ 398,075	8	\$ 83,895	\$ 1,621,407
2022	\$ 3,268,507	\$ (2,733,598)	\$ 426,902	9	\$ 89,950	\$ 1,621,407
2023	\$ 3,350,220	\$ (2,784,994)	\$ 56,226	10	\$ 451,989	\$ 95,313
2024	\$ 3,433,976	\$ (2,851,162)	\$ 582,814	11	\$ 473,885	\$ 100,000
2025	\$ 3,734,559	\$ (2,848,781)	\$ 88,778	12	\$ 96,986	\$ 124,592
2026	\$ 3,827,923	\$ (2,842,762)	\$ 985,161	13	\$ 643,021	\$ 135,364
2027	\$ 3,923,621	\$ (2,837,307)	\$ 1,086,313	14	\$ 695,737	\$ 146,500
2028	\$ 4,021,711	\$ (2,832,433)	\$ 1,189,279	15	\$ 750,261	\$ 158,017
2029	\$ 4,122,254	\$ (2,828,152)	\$ 1,294,102	16	\$ 806,682	\$ 169,935
2030	\$ 4,225,310	\$ (2,824,479)	\$ 1,400,831	17	\$ 895,095	\$ 182,273
2031	\$ 4,330,943	\$ (2,821,431)	\$ 1,509,512	18	\$ 925,601	\$ 195,052
2032	\$ 4,439,217	\$ (2,847,651)	\$ 1,591,565	19	\$ 978,284	\$ 206,320
2033	\$ 4,550,197	\$ (2,874,527)	\$ 1,675,670	20	\$ 1,033,968	\$ 218,076
2034	\$ 4,663,952	\$ (2,653,413)	\$ 2,01,539	21	\$ 1,054,845	\$ 228,917
2035	\$ 4,780,551	\$ (1,339,995)	\$ 3,440,556	22	\$ 1,124,074	\$ 237,398
2036	\$ 4,900,065	\$ (1,370,631)	\$ 3,529,433	23	\$ 1,152,212	\$ 243,531
2037	\$ 5,022,566	\$ (1,402,034)	\$ 3,620,532	24	\$ 1,181,950	\$ 249,817
2038	\$ 5,148,130	\$ (1,434,222)	\$ 3,713,908	25	\$ 1,212,432	\$ 256,260
2039	\$ 5,276,834	\$ (1,467,215)	\$ 3,809,619	26	\$ 1,243,676	\$ 262,864
2040	\$ 5,408,755	\$ (1,501,032)	\$ 3,907,722	27	\$ 1,275,700	\$ 269,633
2041	\$ 5,543,973	\$ (1,535,685)	\$ 4,008,278	28	\$ 1,308,526	\$ 276,571
2042	\$ 5,563,897	\$ (1,571,225)	\$ 3,992,672	29	\$ 1,300,635	\$ 275,494
2043	\$ 5,584,318	\$ (1,607,643)	\$ 3,976,676	30	\$ 1,295,413	\$ 274,391
Totals	120,322,837	(68,295,230)	52,027,607		21,624,223	4,558,677
						20,945,311
						2,133,147
						48,923,165



14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines;

After Tax Cash and Credits Profitability - PTC Production Tax Credits instead of ITC

Year	TOTAL Revenues	TOTAL Expenses	Net Operating Cash Flow	Net AFTER TAX CREDITS - Capitalized to Other Businesses	State Tax Credits - Capitalized to Other Businesses	Federal CREDITS - Capitalized to Other Businesses	Total Project Returns - Cash Flow	21 Yr NPV = \$2,311,549 at 12%	21 Yr NPV = \$12,539,029 at 12%	21 Yr NPV = \$1,607,303 at 12%	21 Yr NPV = \$16,457,881 at 12%	ITC Equivalent Equity	10,125,000	8,625,000
2014	\$ 448,328	\$ (376,821)	\$ 71,507	\$ 71,507	\$ -	\$ -	\$ 71,507	\$ 2,590,676	\$ 481,077	\$ 3,143,260	\$ 5,609,619	20 Year IRR:	8%	
2015	\$ 2,749,682	\$ (2,559,278)	\$ 210,403	\$ 210,403	\$ -	\$ -	\$ 210,403	\$ 4,662,020	\$ 737,195	\$ 5,609,619	\$ 3,748,013			
2016	\$ 2,818,424	\$ (2,540,836)	\$ 277,588	\$ 277,588	\$ -	\$ -	\$ 277,588	\$ 3,054,657	\$ 415,768	\$ 4,651,201	\$ 2,651,201			
2017	\$ 2,888,884	\$ (2,542,790)	\$ 346,094	\$ 346,094	\$ -	\$ -	\$ 346,094	\$ 2,085,134	\$ 219,973	\$ 2,651,201	\$ 2,651,201			
2018	\$ 2,961,106	\$ (2,545,151)	\$ 415,955	\$ 415,955	\$ -	\$ -	\$ 415,955	\$ 2,072,613	\$ 212,727	\$ 2,701,295	\$ 2,701,295			
2019	\$ 3,035,134	\$ (2,567,929)	\$ 447,205	\$ 447,205	\$ -	\$ -	\$ 447,205	\$ 1,355,254	\$ 66,408	\$ 1,868,866	\$ 1,868,866			
2020	\$ 3,111,012	\$ (2,655,078)	\$ 455,935	\$ 455,935	\$ -	\$ -	\$ 455,935	\$ 645,592	\$ -	\$ 1,023,010	\$ 1,023,010			
2021	\$ 3,188,788	\$ (2,696,964)	\$ 491,824	\$ 491,824	\$ -	\$ -	\$ 491,824	\$ 407,928	\$ 644,405	\$ -	\$ 1,052,333	\$ 1,052,333		
2022	\$ 3,268,507	\$ (2,733,598)	\$ 534,909	\$ 534,909	\$ -	\$ -	\$ 534,909	\$ 89,950	\$ 444,959	\$ 640,444	\$ -	\$ 1,085,403	\$ 1,085,403	
2023	\$ 3,350,220	\$ (2,784,994)	\$ 565,226	\$ 565,226	\$ -	\$ -	\$ 565,226	\$ 640,656	\$ -	\$ 1,110,570	\$ 1,110,570			
2024	\$ 3,433,976	\$ (2,851,162)	\$ 582,814	\$ 582,814	\$ -	\$ -	\$ 582,814	\$ 548,967	\$ -	\$ 1,031,781	\$ 1,031,781			
2025	\$ 3,734,559	\$ (2,887,781)	\$ 885,778	\$ 885,778	\$ -	\$ -	\$ 885,778	\$ 124,592	\$ 129,200	\$ -	\$ 129,200	\$ 129,200		
2026	\$ 3,827,923	\$ (2,842,762)	\$ 985,161	\$ 985,161	\$ -	\$ -	\$ 985,161	\$ 686,628	\$ 135,384	\$ -	\$ 163,169	\$ 163,169		
2027	\$ 3,923,621	\$ (2,837,307)	\$ 1,086,313	\$ 1,086,313	\$ -	\$ -	\$ 1,086,313	\$ 743,115	\$ 146,500	\$ -	\$ 196,699	\$ 196,699		
2028	\$ 4,021,711	\$ (2,832,433)	\$ 1,189,279	\$ 1,189,279	\$ -	\$ -	\$ 1,189,279	\$ 801,536	\$ 153,017	\$ -	\$ 229,726	\$ 229,726		
2029	\$ 4,122,254	\$ (2,828,152)	\$ 1,294,102	\$ 1,294,102	\$ -	\$ -	\$ 1,294,102	\$ 861,988	\$ 169,935	\$ -	\$ 262,180	\$ 262,180		
2030	\$ 4,225,310	\$ (2,824,479)	\$ 1,400,831	\$ 1,400,831	\$ -	\$ -	\$ 1,400,831	\$ 924,572	\$ 182,273	\$ -	\$ 293,986	\$ 293,986		
2031	\$ 4,330,943	\$ (2,824,431)	\$ 1,509,512	\$ 1,509,512	\$ -	\$ -	\$ 1,509,512	\$ 989,396	\$ 195,052	\$ -	\$ 325,064	\$ 325,064		
2032	\$ 4,439,217	\$ (2,847,651)	\$ 1,591,565	\$ 1,591,565	\$ -	\$ -	\$ 1,591,565	\$ 1,046,552	\$ 206,320	\$ -	\$ 338,933	\$ 338,933		
2033	\$ 4,550,197	\$ (2,874,527)	\$ 1,675,670	\$ 1,675,670	\$ -	\$ -	\$ 1,675,670	\$ 1,106,180	\$ 218,076	\$ -	\$ 351,414	\$ 351,414		
2034	\$ 4,663,952	\$ (2,653,413)	\$ 2,010,539	\$ 2,010,539	\$ -	\$ -	\$ 2,010,539	\$ 1,161,172	\$ 228,917	\$ -	\$ 620,451	\$ 620,451		
2035	\$ 4,780,551	\$ (1,339,995)	\$ 3,440,556	\$ 3,440,556	\$ -	\$ -	\$ 3,440,556	\$ 1,176,345	\$ 237,398	\$ -	\$ 2,026,813	\$ 2,026,813		
2036	\$ 4,900,065	\$ (1,370,631)	\$ 3,528,433	\$ 3,528,433	\$ -	\$ -	\$ 3,528,433	\$ 1,152,212	\$ 243,531	\$ -	\$ 2,133,690	\$ 2,133,690		
2037	\$ 5,022,566	\$ (1,402,034)	\$ 3,620,532	\$ 3,620,532	\$ -	\$ -	\$ 3,620,532	\$ 1,181,950	\$ 249,817	\$ -	\$ 2,188,765	\$ 2,188,765		
2038	\$ 5,148,130	\$ (1,434,222)	\$ 3,713,908	\$ 3,713,908	\$ -	\$ -	\$ 3,713,908	\$ 1,212,432	\$ 256,260	\$ -	\$ 2,245,216	\$ 2,245,216		
2039	\$ 5,276,834	\$ (1,467,215)	\$ 3,809,619	\$ 3,809,619	\$ -	\$ -	\$ 3,809,619	\$ 1,243,676	\$ 262,864	\$ -	\$ 2,303,079	\$ 2,303,079		
2040	\$ 5,408,755	\$ (1,501,032)	\$ 3,907,722	\$ 3,907,722	\$ -	\$ -	\$ 3,907,722	\$ 1,275,700	\$ 269,633	\$ -	\$ 2,362,389	\$ 2,362,389		
2041	\$ 5,543,973	\$ (1,535,695)	\$ 4,008,278	\$ 4,008,278	\$ -	\$ -	\$ 4,008,278	\$ 1,308,526	\$ 276,571	\$ -	\$ 2,423,181	\$ 2,423,181		
2042	\$ 5,583,897	\$ (1,571,225)	\$ 3,992,672	\$ 3,992,672	\$ -	\$ -	\$ 3,992,672	\$ 1,300,635	\$ 275,494	\$ -	\$ 2,416,542	\$ 2,416,542		
2043	\$ 5,584,318	\$ (1,607,643)	\$ 3,976,676	\$ 3,976,676	\$ -	\$ -	\$ 3,976,676	\$ 1,295,413	\$ 274,391	\$ -	\$ 2,406,872	\$ 2,406,872		
Totals	120,322,837	(68,295,230)	52,027,607	20,100,015	4,558,677	4,558,677	4,558,677	2,133,690	\$ 2,133,690	\$ 2,133,690	\$ 2,133,690	\$ 2,133,690	\$ 2,133,690	\$ 2,133,690



RENAISSANCE
Engineering & Design

Confidential and Proprietary

Page 7d AfterTax CF PTC

14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines; 20 Year - UNLEVERAGED - After Tax Returns - ITC TAKEN AS CASH - 85% Allowable Depreciation

Year	Total REVENUES	With INCOME - CASH Payments	Total EXPENSES	Taxable Income (Loss)	Federal Depreciation Expense	Federal Expense (Loss) With NO Debt	Federal Tax Payable (Loss)	State Tax Payable (Loss)	Credit Taxes Paid With State Credit	Total Cash Flow After Tax	ITC Value of Tax TOTAL CASH AFTER STATE TAXES	Capital Expenditures TOTAL CASH AFTER TAXES	20 Year RETURN UNLEVERAGED
2014	\$ 448,328	\$ (108,159)	\$ 340,169	\$ (6,056,250)	\$ (5,716,081)	\$ (5,716,081)	\$ (2,000,628)	\$ (5,716,081)	\$ (394,410)	\$ 2,395,038	\$ 340,169	\$ 37,500,000	
2015	\$ 2,749,682	\$ (922,308)	\$ 1,822,373	\$ (9,690,000)	\$ (7,867,627)	\$ (7,867,627)	\$ (2,753,669)	\$ (7,867,627)	\$ (542,866)	\$ 3,286,536	\$ 1,822,373	\$ (10,125,000)	
2016	\$ 2,818,424	\$ (5,814,000)	\$ 1,889,558	\$ (3,924,442)	\$ (3,924,442)	\$ (1,373,555)	\$ (3,924,442)	\$ (270,787)	\$ 1,644,341	\$ 1,889,558	\$ (1,644,341)	\$ 27,375,000	
2017	\$ 2,888,884	\$ (930,820)	\$ 1,958,064	\$ (3,488,400)	\$ (1,530,336)	\$ (1,530,336)	\$ (535,618)	\$ (1,530,336)	\$ (105,533)	\$ 641,211	\$ 1,958,064	\$ 1,958,064	RETURN CALC
2018	\$ 2,961,106	\$ (933,181)	\$ 2,027,925	\$ (3,488,400)	\$ (1,460,475)	\$ (1,460,475)	\$ (511,166)	\$ (1,460,475)	\$ (100,773)	\$ 611,939	\$ 2,027,925		
2019	\$ 3,035,134	\$ (975,959)	\$ 2,059,175	\$ (1,744,200)	\$ 314,975	\$ 314,975	\$ 110,241	\$ 314,975	\$ 21,733	-	\$ 1,927,200	Year 0	\$ (27,375,000)
2020	\$ 3,111,012	\$ (1,043,108)	\$ 2,067,904	\$ 2,067,904	\$ 2,067,904	\$ 2,067,904	\$ 716,160	\$ 2,067,904	\$ 142,685	-	\$ 1,209,059	Year 1	\$ 2,735,207
2021	\$ 3,188,788	\$ (1,084,994)	\$ 2,103,794	\$ 1,961,108	\$ 686,388	\$ 2,103,794	\$ 145,162	\$ 2,103,794	\$ 148,135	-	\$ 1,272,244	Year 2	\$ 5,118,909
2022	\$ 3,268,507	\$ (1,121,629)	\$ 2,146,879	\$ 2,146,879	\$ 2,001,717	\$ 2,001,717	\$ 700,601	\$ 2,146,879	\$ 148,135	-	\$ 1,298,143	Year 3	\$ 3,533,899
2023	\$ 3,350,220	\$ (1,173,024)	\$ 2,177,196	\$ 2,029,061	\$ 2,177,196	\$ 2,177,196	\$ 710,172	\$ 2,177,196	\$ 150,227	-	\$ 1,316,788	Year 4	\$ 2,599,275
2024	\$ 3,433,976	\$ (1,239,192)	\$ 2,194,783	\$ 2,194,783	\$ 2,044,557	\$ 2,194,783	\$ 715,595	\$ 2,194,783	\$ 151,440	-	\$ 1,327,748	Year 5	\$ 2,639,864
2025	\$ 3,734,559	\$ (1,236,811)	\$ 2,497,748	\$ 2,346,308	\$ 2,497,748	\$ 2,346,308	\$ 821,208	\$ 2,497,748	\$ 172,345	-	\$ 1,504,195	Year 6	\$ 1,927,200
2026	\$ 3,827,923	\$ (1,230,792)	\$ 2,597,131	\$ 2,424,786	\$ 2,597,131	\$ 2,424,786	\$ 848,675	\$ 2,597,131	\$ 179,202	-	\$ 1,669,254	Year 7	\$ 1,209,059
2027	\$ 3,923,624	\$ (1,225,338)	\$ 2,698,283	\$ 2,519,871	\$ 2,698,283	\$ 2,519,871	\$ 861,678	\$ 2,698,283	\$ 186,182	-	\$ 1,272,244	Year 8	\$ 1,630,423
2028	\$ 4,021,714	\$ (1,220,463)	\$ 2,801,249	\$ 2,615,067	\$ 2,801,249	\$ 2,615,067	\$ 915,273	\$ 2,801,249	\$ 193,286	-	\$ 1,298,143	Year 9	\$ 1,692,689
2029	\$ 4,122,254	\$ (1,216,182)	\$ 2,906,072	\$ 2,712,786	\$ 2,906,072	\$ 2,712,786	\$ 949,475	\$ 2,906,072	\$ 200,519	-	\$ 1,316,798	Year 10	\$ 1,756,078
2030	\$ 4,225,310	\$ (1,212,510)	\$ 3,012,801	\$ 2,812,282	\$ 3,012,801	\$ 2,812,282	\$ 984,299	\$ 3,012,801	\$ 207,883	-	\$ 1,327,748	Year 11	\$ 1,820,619
2031	\$ 4,329,943	\$ (1,208,481)	\$ 3,121,482	\$ 2,913,599	\$ 3,121,482	\$ 2,913,599	\$ 1,019,760	\$ 3,121,482	\$ 215,382	-	\$ 1,504,195	Year 12	\$ 1,886,340
2032	\$ 4,439,217	\$ (1,235,555)	\$ 3,203,555	\$ 2,988,153	\$ 3,203,555	\$ 2,988,153	\$ 1,045,554	\$ 3,203,555	\$ 221,044	-	\$ 1,936,638	Year 13	\$ 1,569,254
2033	\$ 4,550,197	\$ (1,262,557)	\$ 3,287,640	\$ 3,066,596	\$ 3,287,640	\$ 3,066,596	\$ 1,073,309	\$ 3,287,640	\$ 226,847	-	\$ 1,987,484	Year 14	\$ 1,630,423
2034	\$ 4,663,952	\$ (1,310,105)	\$ 3,353,847	\$ 3,127,000	\$ 3,353,847	\$ 3,127,000	\$ 1,094,450	\$ 3,353,847	\$ 231,415	-	\$ 2,027,982	Year 15	\$ 1,692,689
2035	\$ 4,780,551	\$ (1,339,995)	\$ 3,440,556	\$ 3,209,141	\$ 3,440,556	\$ 3,209,141	\$ 1,123,99	\$ 3,440,556	\$ 237,398	-	\$ 2,079,989	Year 16	\$ 1,756,078
2036	\$ 4,900,065	\$ (1,370,631)	\$ 3,529,433	\$ 3,292,035	\$ 3,529,433	\$ 3,292,035	\$ 1,152,212	\$ 3,529,433	\$ 243,531	-	\$ 2,133,690	Year 17	\$ 1,820,619
2037	\$ 5,022,566	\$ (1,402,034)	\$ 3,620,532	\$ 3,377,001	\$ 3,620,532	\$ 3,377,001	\$ 1,181,950	\$ 3,620,532	\$ 249,817	-	\$ 2,188,765	Year 18	\$ 1,886,340
2038	\$ 5,148,130	\$ (1,434,222)	\$ 3,713,908	\$ 3,464,091	\$ 3,713,908	\$ 3,464,091	\$ 1,212,432	\$ 3,713,908	\$ 256,280	-	\$ 2,245,216	Year 19	\$ 1,936,638
2039	\$ 5,276,834	\$ (1,467,215)	\$ 3,809,619	\$ 3,553,359	\$ 3,809,619	\$ 3,553,359	\$ 1,243,676	\$ 3,809,619	\$ 262,864	-	\$ 2,303,079	Year 20	\$ 1,987,484
2040	\$ 5,408,755	\$ (1,501,032)	\$ 3,907,722	\$ 3,644,858	\$ 3,907,722	\$ 3,644,858	\$ 1,275,706	\$ 3,907,722	\$ 269,633	-	\$ 2,362,389		
2041	\$ 5,543,973	\$ (1,535,695)	\$ 4,008,278	\$ 4,008,278	\$ 4,008,278	\$ 4,008,278	\$ 1,308,645	\$ 4,008,278	\$ 276,571	-	\$ 2,423,181		
2042	\$ 5,663,897	\$ (1,571,225)	\$ 3,992,672	\$ 3,716,101	\$ 3,992,672	\$ 3,716,101	\$ 1,300,035	\$ 3,992,672	\$ 275,484	-	\$ 2,416,522		
2043	\$ 5,584,318	\$ (1,607,643)	\$ 3,976,876	\$ 3,701,181	\$ 3,976,876	\$ 3,701,181	\$ 1,295,413	\$ 3,976,876	\$ 274,391	-	\$ 2,406,872		
Total	\$ 120,322,837	\$ (36,055,832)	\$ 84,267,005	\$ (30,281,250)	\$ 53,985,755	\$ 49,120,700	\$ 17,192,245	\$ 53,985,755	\$ 3,725,017	\$ 8,589,065	\$ 54,760,678		

This takes cash and credit returns based on the total net investment minus the ITC cash grant contribution. Thus this is the unleveraged return using the offsetting of 30% of the capital costs at the beginning of the project.



RENAISSANCE
Engineering & Design

14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines;

20 Year - UNLEVERAGED - After Tax Returns - ITC TAKEN AS CREDIT NOT CASH - FULL DEPRECIATION

Year	TOTAL REVENUES	TOTAL EXPENSES	With No Debt Net INCOME - CASH	With Net Debt Net INCOME - CREDIT	Federal EXPENSES	Depreciation EXPENSE	Taxable Income (Loss)	Federal TAXES	State TAXES	Total PREV STATE TAXES	Cash Value of TAX CREDITS (NOL)	TOTAL PAYMENTS AND STATE TAX CASH AFTER ITC	UNLEVERAGED RETURN
2014	\$ 448,328	\$ (108,159)	\$ 340,169	\$ (6,784,831)	\$ (6,784,831)	\$ (12,499,691)	\$ (6,784,831)	\$ (6,784,831)	\$ (6,784,831)	\$ (488,153)	\$ 340,169	\$ 37,500,000	
2015	\$ 2,749,622	\$ (927,308)	\$ 1,822,373	\$ (11,400,000)	\$ (9,577,627)	\$ (9,577,627)	\$ (3,352,159)	\$ (3,352,159)	\$ (660,856)	\$ 4,013,026	\$ 1,822,373	\$ -	
2016	\$ 2,818,424	\$ (928,866)	\$ 1,889,558	\$ (6,840,000)	\$ (4,950,442)	\$ (4,950,442)	\$ (1,732,655)	\$ (1,732,655)	\$ (4,950,442)	\$ (341,581)	\$ 2,074,235	\$ 1,889,558	
2017	\$ 2,888,834	\$ (930,820)	\$ 1,958,064	\$ (4,104,000)	\$ (2,145,936)	\$ (2,145,936)	\$ (751,078)	\$ (751,078)	\$ (2,145,936)	\$ (148,070)	\$ 899,147	\$ 1,958,064	
2018	\$ 2,961,106	\$ (933,181)	\$ 2,027,925	\$ (4,104,000)	\$ (2,076,075)	\$ (2,076,075)	\$ (726,626)	\$ (726,626)	\$ (2,076,075)	\$ (143,249)	\$ 869,875	\$ 2,027,925	RETURN CALC
2019	\$ 3,035,134	\$ (975,959)	\$ 2,059,175	\$ (2,052,000)	\$ 7,175	\$ 7,175	\$ 2,511	\$ 2,511	\$ 7,175	\$ 495	\$ -	\$ 2,056,169	Year 0
2020	\$ 3,111,012	\$ (1,043,108)	\$ 2,067,904	\$ (2,067,904)	\$ 2,067,904	\$ 2,067,904	\$ 723,558	\$ 723,558	\$ 2,067,904	\$ 142,685	\$ -	\$ 1,201,626	Year 1
2021	\$ 3,188,788	\$ (1,084,994)	\$ 2,103,794	\$ (2,103,794)	\$ 1,961,108	\$ 1,961,108	\$ 686,388	\$ 686,388	\$ 2,103,794	\$ 145,162	\$ -	\$ 1,272,244	Year 2
2022	\$ 3,268,507	\$ (1,121,629)	\$ 2,146,879	\$ (2,146,879)	\$ 2,001,717	\$ 2,001,717	\$ 700,601	\$ 700,601	\$ 2,146,879	\$ 148,135	\$ -	\$ 1,298,143	Year 3
2023	\$ 3,350,220	\$ (1,173,024)	\$ 2,177,196	\$ (2,177,196)	\$ 2,029,061	\$ 2,029,061	\$ 710,172	\$ 710,172	\$ 2,177,196	\$ 150,227	\$ -	\$ 1,316,798	Year 4
2024	\$ 3,433,976	\$ (1,239,192)	\$ 2,194,783	\$ (2,194,783)	\$ 2,044,557	\$ 2,044,557	\$ 715,956	\$ 715,956	\$ 2,194,783	\$ 151,470	\$ -	\$ 1,327,748	Year 5
2025	\$ 3,734,559	\$ (1,236,811)	\$ 2,497,748	\$ (2,497,748)	\$ 2,346,308	\$ 2,346,308	\$ 821,208	\$ 821,208	\$ 2,497,748	\$ 172,345	\$ -	\$ 1,504,195	Year 6
2026	\$ 3,827,923	\$ (1,230,792)	\$ 2,597,131	\$ (2,597,131)	\$ 2,424,786	\$ 2,424,786	\$ 848,675	\$ 848,675	\$ 2,597,131	\$ 179,202	\$ -	\$ 1,569,254	Year 7
2027	\$ 3,923,621	\$ (1,225,338)	\$ 2,688,283	\$ (2,688,283)	\$ 2,688,283	\$ 2,688,283	\$ 881,678	\$ 881,678	\$ 2,688,283	\$ 186,182	\$ -	\$ 1,620,423	Year 8
2028	\$ 4,021,714	\$ (1,220,483)	\$ 2,801,249	\$ (2,801,249)	\$ 2,615,967	\$ 2,615,967	\$ 915,126	\$ 915,126	\$ 2,801,249	\$ 193,286	\$ -	\$ 1,298,143	Year 9
2029	\$ 4,122,284	\$ (1,216,182)	\$ 2,906,072	\$ (2,906,072)	\$ 2,712,786	\$ 2,712,786	\$ 949,475	\$ 949,475	\$ 2,906,072	\$ 200,519	\$ -	\$ 1,316,798	Year 10
2030	\$ 4,225,310	\$ (1,212,510)	\$ 3,012,801	\$ (3,012,801)	\$ 2,812,282	\$ 2,812,282	\$ 984,299	\$ 984,299	\$ 3,012,801	\$ 207,883	\$ -	\$ 1,327,748	Year 11
2031	\$ 4,330,943	\$ (1,209,461)	\$ 3,121,482	\$ (3,121,482)	\$ 2,913,599	\$ 2,913,599	\$ 1,019,760	\$ 1,019,760	\$ 3,121,482	\$ 215,382	\$ -	\$ 1,504,195	Year 12
2032	\$ 4,439,217	\$ (1,235,681)	\$ 3,203,535	\$ (3,203,535)	\$ 2,988,153	\$ 2,988,153	\$ 1,045,854	\$ 1,045,854	\$ 3,203,535	\$ 221,044	\$ -	\$ 1,569,254	Year 13
2033	\$ 4,550,197	\$ (1,222,557)	\$ 3,287,640	\$ (3,287,640)	\$ 3,066,596	\$ 3,066,596	\$ 1,073,309	\$ 1,073,309	\$ 3,287,640	\$ 226,847	\$ -	\$ 1,987,484	Year 14
2034	\$ 4,663,952	\$ (1,310,105)	\$ 3,353,847	\$ (3,353,847)	\$ 3,127,000	\$ 3,127,000	\$ 1,094,450	\$ 1,094,450	\$ 3,353,847	\$ 231,415	\$ -	\$ 2,027,982	Year 15
2035	\$ 4,780,551	\$ (1,339,995)	\$ 3,440,556	\$ (3,440,556)	\$ 3,209,141	\$ 3,209,141	\$ 1,123,199	\$ 1,123,199	\$ 3,440,556	\$ 237,398	\$ -	\$ 2,079,959	Year 16
2036	\$ 4,900,056	\$ (1,370,631)	\$ 3,529,433	\$ (3,529,433)	\$ 3,292,035	\$ 3,292,035	\$ 1,152,212	\$ 1,152,212	\$ 3,529,433	\$ 243,531	\$ -	\$ 2,133,690	Year 17
2037	\$ 5,022,566	\$ (1,402,034)	\$ 3,620,532	\$ (3,620,532)	\$ 3,377,001	\$ 3,377,001	\$ 1,181,950	\$ 1,181,950	\$ 3,620,532	\$ 249,817	\$ -	\$ 2,188,766	Year 18
2038	\$ 5,148,150	\$ (1,424,222)	\$ 3,713,908	\$ (3,713,908)	\$ 3,464,091	\$ 3,464,091	\$ 1,212,422	\$ 1,212,422	\$ 3,713,908	\$ 256,260	\$ -	\$ 2,245,216	Year 19
2039	\$ 5,276,834	\$ (1,467,215)	\$ 3,809,619	\$ (3,809,619)	\$ 3,553,359	\$ 3,553,359	\$ 1,243,676	\$ 1,243,676	\$ 3,809,619	\$ 262,864	\$ -	\$ 2,303,079	Year 20
2040	\$ 5,408,755	\$ (1,501,032)	\$ 3,907,722	\$ (3,907,722)	\$ 3,644,858	\$ 3,644,858	\$ 1,275,700	\$ 1,275,700	\$ 3,907,722	\$ 269,633	\$ -	\$ 2,362,389	
2041	\$ 5,543,973	\$ (1,535,695)	\$ 4,008,278	\$ (4,008,278)	\$ 3,738,645	\$ 3,738,645	\$ 1,308,566	\$ 1,308,566	\$ 4,008,278	\$ 276,571	\$ -	\$ 2,423,181	
2042	\$ 5,663,897	\$ (1,571,225)	\$ 3,992,672	\$ (3,992,672)	\$ 3,716,101	\$ 3,716,101	\$ 1,300,655	\$ 1,300,655	\$ 3,992,672	\$ 275,494	\$ -	\$ 2,416,542	
2043	\$ 5,884,318	\$ (1,607,643)	\$ 3,976,676	\$ (3,976,676)	\$ 3,701,181	\$ 3,701,181	\$ 1,295,443	\$ 1,295,443	\$ 3,976,676	\$ 274,391	\$ -	\$ 2,406,872	
Total	\$ 120,322,837	\$ (36,055,832)	\$ 84,267,005	\$ 48,642,005	\$ 43,798,188	\$ 5,204,386	\$ 48,642,005	\$ 3,356,298	\$ 20,824,128	\$ 54,882,213	\$ 37,500,000	\$ 37,500,000	5.7%

This assumes a 30% ITC taken as a credit so there is no discount on the allowable amount of depreciation. This is the most valuable scenario but still requires an investor that can fully utilize such substantial State and Federal Credits each year they are generated as if they are cash.

14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines;

20 Year - UNLEVERAGED - After Tax Returns - ITC TAKEN AS CREDIT NOT CASH - FULL DEPRECIATION

Year	TOTAL REVENUES	TOTAL EXPENSES	NET INCOME - CASH With No Debt	Net Income - CASH With No Debt	FEDERAL EXPENSE PAID Taxable Income (Loss) w/ Credit	FEDERAL TAX PAYABLE Taxable Income (Loss) w/ Credit	STATE TAX PAYABLE Taxable Income (Loss) w/ Credit	PTC CREDITS (NOL) Cash Value of Tax Production Tax Credits	TOTAL PAYMENTS AFTER TAX CASH OUT STATE AND FEDERAL	20 YEAR RETURN UNLEVERAGED
2014	\$ 448,328	\$ (108,159)	\$ 340,169	\$ (7,125,000)	\$ (6,784,831)	\$ (2,374,691)	\$ (6,784,831)	\$ (468,153)	\$ (150,431)	\$ 2,993,275
2015	\$ 2,749,682	\$ (927,308)	\$ 1,822,373	\$ (11,400,000)	\$ (9,577,627)	\$ (3,362,189)	\$ (9,577,627)	\$ (660,856)	\$ (922,624)	\$ 4,935,649
2016	\$ 2,818,424	\$ (928,866)	\$ 1,889,558	\$ (6,840,000)	\$ (4,950,442)	\$ (4,950,442)	\$ (4,950,442)	\$ (341,581)	\$ (945,689)	\$ 1,889,558
2017	\$ 2,888,884	\$ (930,820)	\$ 1,958,054	\$ (4,104,000)	\$ (2,145,936)	\$ (751,078)	\$ (2,145,936)	\$ (148,070)	\$ (959,331)	\$ 1,958,064
2018	\$ 2,961,105	\$ (933,181)	\$ 2,027,925	\$ (4,104,000)	\$ (2,076,075)	\$ (2,076,075)	\$ (2,076,075)	\$ (143,249)	\$ (983,565)	\$ 1,883,440
2019	\$ 3,035,134	\$ (975,969)	\$ 2,067,175	\$ (2,052,000)	\$ 7,175	\$ 2,067,175	\$ 2,067,175	\$ 495	\$ (1,018,404)	\$ 2,056,169
2020	\$ 3,110,012	\$ (1,043,108)	\$ 2,067,904	\$ (2,067,904)	\$ 2,067,904	\$ 723,533	\$ 2,067,904	\$ 142,685	\$ (1,043,864)	\$ 1,201,626
2021	\$ 3,188,788	\$ (1,084,994)	\$ 2,103,794	\$ (2,103,794)	\$ 1,961,108	\$ 686,338	\$ 2,103,794	\$ 145,162	\$ (1,069,960)	\$ 1,069,960
2022	\$ 3,268,507	\$ (1,121,629)	\$ 2,146,879	\$ (2,146,879)	\$ 2,001,717	\$ 700,601	\$ 2,146,879	\$ 148,135	\$ (1,086,710)	\$ 1,298,143
2023	\$ 3,350,220	\$ (1,173,024)	\$ 2,177,196	\$ (2,177,196)	\$ 2,029,061	\$ 710,172	\$ 2,177,196	\$ 150,227	\$ (1,124,127)	\$ 1,316,798
2024	\$ 3,433,976	\$ (1,239,192)	\$ 2,194,733	\$ (2,194,733)	\$ 2,044,557	\$ 715,595	\$ 2,194,733	\$ 151,440	\$ (1,066,211)	\$ 1,056,211
2025	\$ 3,734,559	\$ (1,236,811)	\$ 2,497,748	\$ (2,497,748)	\$ 2,346,308	\$ 821,208	\$ 2,497,748	\$ 172,345	\$ -	\$ 1,504,195
2026	\$ 3,827,923	\$ (1,230,792)	\$ 2,597,131	\$ (2,597,131)	\$ 2,424,786	\$ 848,675	\$ 2,597,131	\$ 179,202	\$ -	\$ 1,589,254
2027	\$ 4,021,714	\$ (1,225,463)	\$ 2,688,283	\$ (2,688,283)	\$ 2,519,081	\$ 881,678	\$ 2,688,283	\$ 186,182	\$ -	\$ 1,630,423
2028	\$ 4,122,254	\$ (1,216,182)	\$ 2,801,249	\$ (2,801,249)	\$ 2,615,067	\$ 915,273	\$ 2,801,249	\$ 195,248	\$ -	\$ 1,692,689
2029	\$ 4,225,310	\$ (1,212,501)	\$ 2,906,072	\$ (2,906,072)	\$ 2,712,786	\$ 949,475	\$ 2,906,072	\$ 200,519	\$ -	\$ 1,756,078
2030	\$ 4,330,943	\$ (1,209,481)	\$ 3,012,801	\$ (3,012,801)	\$ 2,812,282	\$ 984,299	\$ 3,012,801	\$ 207,883	\$ -	\$ 1,820,619
2031	\$ 4,439,217	\$ (1,235,621)	\$ 3,203,535	\$ (3,203,535)	\$ 2,988,153	\$ 1,045,854	\$ 3,203,535	\$ 221,044	\$ -	\$ 1,936,638
2032	\$ 4,550,197	\$ (1,262,557)	\$ 3,287,640	\$ (3,287,640)	\$ 3,066,596	\$ 1,073,309	\$ 3,287,640	\$ 226,847	\$ -	\$ 1,987,484
2033	\$ 4,663,952	\$ (1,310,105)	\$ 3,363,847	\$ (3,363,847)	\$ 3,127,000	\$ 1,094,450	\$ 3,363,847	\$ 231,415	\$ -	\$ 2,027,982
2034	\$ 4,780,551	\$ (1,339,995)	\$ 3,440,556	\$ (3,440,556)	\$ 3,209,141	\$ 1,123,199	\$ 3,440,556	\$ 237,398	\$ -	\$ 2,079,595
2035	\$ 4,900,065	\$ (1,370,631)	\$ 3,529,433	\$ (3,529,433)	\$ 3,292,035	\$ 1,152,212	\$ 3,529,433	\$ 243,531	\$ -	\$ 2,133,690
2036	\$ 5,022,566	\$ (1,402,034)	\$ 3,620,552	\$ (3,620,552)	\$ 3,377,001	\$ 1,181,950	\$ 3,620,552	\$ 249,817	\$ -	\$ 2,188,765
2037	\$ 5,148,130	\$ (1,434,222)	\$ 3,713,908	\$ (3,713,908)	\$ 3,464,091	\$ 1,212,432	\$ 3,713,908	\$ 256,260	\$ -	\$ 2,245,216
2038	\$ 5,276,834	\$ (1,467,215)	\$ 3,809,619	\$ (3,809,619)	\$ 3,553,359	\$ 1,243,676	\$ 3,809,619	\$ 262,864	\$ -	\$ 2,303,079
2039	\$ 5,408,755	\$ (1,501,032)	\$ 3,907,722	\$ (3,907,722)	\$ 3,644,858	\$ 1,275,700	\$ 3,907,722	\$ 269,633	\$ -	\$ 2,362,389
2040	\$ 5,543,973	\$ (1,535,685)	\$ 4,008,278	\$ (4,008,278)	\$ 3,736,645	\$ 1,308,526	\$ 4,008,278	\$ 276,571	\$ -	\$ 2,423,181
2041	\$ 5,663,897	\$ (1,571,672)	\$ 3,992,672	\$ (3,992,672)	\$ 3,716,101	\$ 1,342,655	\$ 3,992,672	\$ 274,494	\$ -	\$ 2,416,542
2042	\$ 5,684,318	\$ (1,607,643)	\$ 3,976,676	\$ (3,976,676)	\$ 3,701,181	\$ 1,295,413	\$ 3,976,676	\$ 274,391	\$ -	\$ 2,406,872
2043	\$ 36,055,832	\$ 84,267,005	\$ 48,642,005	\$ 47,981,188	\$ 15,329,366	\$ 48,642,005	\$ 3,356,298	\$ (10,390,916)	\$ 21,080,044	\$ 54,882,213

This is the total UNLEVERAGED RETURN calculation taking the total project cost with no offsetting grants or ITC and fully utilizing depreciation and Production Tax Credits over a period of ten years as they are generated.

14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines;

20 Year - LEVERAGED - After Tax Returns

Year	TOTAL REVENUES	TOTAL EXPENSES	NET CASH - CASH Flow	NET INCOME - Debt Principal	FLOW - Added Back	NET CASH - CASH Flow	FEDERAL TAXES	STATE TAXES	COST VALUE OF NOL	STATE CREDITS (NOL)	TOTAL CASH AFTER TAXES	20 YEAR RETURN
2014	\$ 448,328	\$ (376,921)	\$ 71,507	\$ 152,872	\$ (6,056,250)	\$ (5,903,378)	\$ (5,903,378)	\$ (2,066,182)	\$ (5,903,378)	\$ (407,333)	\$ 2,473,516	7.1%
2015	\$ 2,749,682	\$ (2,539,278)	\$ 210,403	\$ 716,009	\$ (9,690,000)	\$ (8,973,391)	\$ (8,973,391)	\$ (3,140,897)	\$ (8,973,391)	\$ (619,205)	\$ 3,760,102	3.0%
2016	\$ 2,818,424	\$ (2,540,836)	\$ 277,568	\$ 814,378	\$ (5,814,000)	\$ (4,999,622)	\$ (4,999,622)	\$ (1,749,888)	\$ (4,999,622)	\$ (344,974)	\$ 2,094,842	2.7%
2017	\$ 2,888,884	\$ (2,542,790)	\$ 346,094	\$ 915,983	\$ (3,486,400)	\$ (2,467,396)	\$ (2,467,396)	\$ (2,572,407)	\$ (2,467,396)	\$ (247,496)	\$ 1,077,839	3.6%
2018	\$ 2,951,106	\$ (2,545,106)	\$ 415,985	\$ 1,021,004	\$ (3,488,400)	\$ (1,744,200)	\$ (1,744,200)	\$ (663,589)	\$ (2,467,396)	\$ (177,250)	\$ 1,033,839	4.1%
2019	\$ 3,035,134	\$ (2,587,929)	\$ 447,205	\$ 1,089,571	\$ (1,747,955)	\$ (455,935)	\$ (455,935)	\$ (229,120)	\$ (654,629)	\$ (45,169)	\$ 274,289	4.4%
2020	\$ 3,111,012	\$ (2,655,078)	\$ 481,824	\$ 1,137,921	\$ (1,377,921)	\$ 1,303,616	\$ 1,303,616	\$ (137,921)	\$ 1,303,616	\$ (137,921)	\$ -	\$ (20,834)
2021	\$ 3,188,788	\$ (2,723,598)	\$ 526,507	\$ 1,215,874	\$ (1,215,874)	\$ 1,215,874	\$ 1,215,874	\$ (137,921)	\$ 1,215,874	\$ 83,895	\$ -	\$ 9,884
2022	\$ 3,268,507	\$ (2,790,589)	\$ 565,909	\$ 1,303,616	\$ 1,303,616	\$ 1,303,616	\$ 1,303,616	\$ (137,921)	\$ 1,303,616	\$ 89,950	\$ -	\$ 18,057
2023	\$ 3,350,220	\$ (2,851,394)	\$ 565,226	\$ 1,381,346	\$ 1,381,346	\$ 1,381,346	\$ 1,381,346	\$ (137,921)	\$ 1,381,346	\$ 95,313	\$ -	\$ 17,925
2024	\$ 3,433,976	\$ (2,851,162)	\$ 582,814	\$ 1,449,270	\$ 1,449,270	\$ 1,449,270	\$ 1,449,270	\$ (137,921)	\$ 1,449,270	\$ 100,000	\$ -	\$ 14,449,794
2025	\$ 3,524,559	\$ (2,848,781)	\$ 885,778	\$ 1,805,675	\$ 1,805,675	\$ 1,805,675	\$ 1,805,675	\$ (137,921)	\$ 1,805,675	\$ 124,592	\$ -	\$ 164,200
2026	\$ 3,627,923	\$ (2,842,762)	\$ 985,161	\$ 1,961,796	\$ 1,961,796	\$ 1,961,796	\$ 1,961,796	\$ (137,921)	\$ 1,961,796	\$ 135,364	\$ -	\$ 206,776
2027	\$ 3,732,621	\$ (2,837,307)	\$ 1,086,313	\$ 2,123,185	\$ 2,123,185	\$ 2,123,185	\$ 2,123,185	\$ (137,921)	\$ 2,123,185	\$ 146,500	\$ -	\$ 244,076
2028	\$ 3,842,433	\$ 1,189,279	\$ 2,290,102	\$ 2,290,102	\$ 2,143,002	\$ 2,143,002	\$ 2,143,002	\$ (137,921)	\$ 2,143,002	\$ 158,017	\$ -	\$ 281,001
2029	\$ 4,021,711	\$ (2,832,433)	\$ 1,294,102	\$ 2,462,822	\$ 2,462,822	\$ 2,462,822	\$ 2,462,822	\$ (137,921)	\$ 2,462,822	\$ 168,935	\$ -	\$ 317,486
2030	\$ 4,225,310	\$ (2,824,479)	\$ 1,400,831	\$ 2,641,635	\$ 2,641,635	\$ 2,641,635	\$ 2,641,635	\$ (137,921)	\$ 2,641,635	\$ 182,273	\$ -	\$ 353,483
2031	\$ 4,330,943	\$ (2,821,431)	\$ 1,509,512	\$ 2,826,846	\$ 2,826,846	\$ 2,826,846	\$ 2,826,846	\$ (137,921)	\$ 2,826,846	\$ 198,052	\$ -	\$ 388,859
2032	\$ 4,439,217	\$ (2,847,755)	\$ 1,591,565	\$ 2,990,149	\$ 2,990,149	\$ 2,990,149	\$ 2,990,149	\$ (137,921)	\$ 2,990,149	\$ 206,320	\$ -	\$ 406,961
2033	\$ 4,550,197	\$ (2,874,527)	\$ 1,675,670	\$ 3,160,516	\$ 3,160,516	\$ 3,160,516	\$ 3,160,516	\$ (137,921)	\$ 3,160,516	\$ 218,076	\$ -	\$ 423,626
2034	\$ 4,663,982	\$ (2,653,413)	\$ 2,010,539	\$ 3,317,633	\$ 3,099,558	\$ 3,099,558	\$ 3,099,558	\$ (137,921)	\$ 3,099,558	\$ 281,001	\$ -	\$ 696,777
2035	\$ 4,784,554	\$ (1,339,395)	\$ 3,440,556	\$ 3,440,556	\$ 3,211,040	\$ 3,211,040	\$ 3,211,040	\$ (137,921)	\$ 3,211,040	\$ 317,486	\$ -	\$ 2,079,084
2036	\$ 4,900,065	\$ (1,370,631)	\$ 3,529,433	\$ 3,529,433	\$ 3,292,035	\$ 3,292,035	\$ 3,292,035	\$ (152,212)	\$ 3,292,035	\$ 243,531	\$ -	\$ 2,133,680
2037	\$ 5,022,666	\$ (1,402,034)	\$ 3,620,532	\$ 3,620,532	\$ 3,327,001	\$ 3,327,001	\$ 3,327,001	\$ 1,181,950	\$ 3,327,001	\$ 249,817	\$ -	\$ 2,188,765
2038	\$ 5,148,130	\$ (1,434,222)	\$ 3,713,908	\$ 3,713,908	\$ 3,464,091	\$ 3,464,091	\$ 3,464,091	\$ 1,211,432	\$ 3,464,091	\$ 256,260	\$ -	\$ 2,245,216
2039	\$ 5,276,834	\$ (1,467,215)	\$ 3,809,619	\$ 3,809,619	\$ 3,505,359	\$ 3,505,359	\$ 3,505,359	\$ 1,243,676	\$ 3,505,359	\$ 262,864	\$ -	\$ 2,303,079
2040	\$ 5,408,755	\$ (1,501,032)	\$ 3,907,722	\$ 3,907,722	\$ 3,644,858	\$ 3,644,858	\$ 3,644,858	\$ 1,275,700	\$ 3,644,858	\$ 269,633	\$ -	\$ 2,362,389
2041	\$ 5,535,973	\$ (1,535,695)	\$ 4,008,278	\$ 4,008,278	\$ 3,738,445	\$ 3,738,445	\$ 3,738,445	\$ 1,308,526	\$ 3,738,445	\$ 275,571	\$ -	\$ 2,423,181
2042	\$ 5,663,887	\$ (1,571,225)	\$ 3,892,672	\$ 3,892,672	\$ 3,716,101	\$ 3,716,101	\$ 3,716,101	\$ 1,300,635	\$ 3,716,101	\$ 275,494	\$ -	\$ 2,416,542
2043	\$ 5,804,318	\$ (1,607,643)	\$ 3,976,676	\$ 3,976,676	\$ 3,701,181	\$ 3,701,181	\$ 3,701,181	\$ 1,295,413	\$ 3,701,181	\$ 274,391	\$ -	\$ 2,406,872
Total	\$ (120,322,837)	\$ (616,295,230)	\$ 52,027,607	\$ 70,777,607	\$ 36,212,071	\$ 12,674,225	\$ 40,496,357	\$ 36,212,071	\$ 12,674,225	\$ 40,496,357	\$ 10,714,426	16.3%

With leverage two key things happen to drive the IRR. The first one is the very small amount of capital invested, and the second is an increase in Federal and State tax credits for the deduction based on interest on the debt payments. The problem of course is that the debt payments end up consuming a huge amount of the total cash flow which amplifies the point that the wind project makes more money in credits than it does in cash. The investors know this and in fact the cash is can become so tight that there may not be enough to pay the taxes depending on how the expenses line up and how steep the debt amount and interest amounts are negotiated.

14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines; 20 Year - LEVERAGED - After Tax Returns - FULL DEPRECIATION ITC TAKEN AS TAX CREDIT

Year	TOTAL REVENUES	NET CASH - CASH ADDING DEBT PMS	NET INCOME - DEBT BACKED	FEDERAL EXPENSES	STATE EXPENSES	DEPRECATION EXPENSES	TAXABLE INCOME	FEDERAL TAX PAYABLE	STATE TAX PAYABLE	ITC PAYABLE	TAXABLE LOSS (LOSS WITH CREDIT)	FEDERAL PREV SAVINGS (WITH CREDIT)	STATE PREV SAVINGS (WITH CREDIT)	ITC PREV SAVINGS (WITH CREDIT)	TOTAL CASH AFTER TAXES	TAXES AND DEBT PAYMENTS	DASH VALUE OF TAX CREDITS	TOTAL DEBT AND CASH	RETURN ON TOTAL CASH & DEBT
2014	\$ 448,328	\$ (376,821)	\$ 71,507	\$ 152,872	\$ 716,009	\$ (11,400,000)	\$ (6,972,128)	\$ (12,565,245)	\$ (6,972,128)	\$ (481,077)	\$ 13,046,322	\$ 71,507	\$ 4,476,592	\$ 210,403	Total Project:	\$ 37,500,000	\$ -	\$ -	
2015	\$ 2,749,682	\$ (2,539,276)	\$ 210,403	\$ 1,521,126	\$ (1,402,991)	\$ (10,683,991)	\$ (3,739,397)	\$ (10,683,991)	\$ (10,683,991)	\$ (731,195)	\$ 2,524,736	\$ 210,403	\$ 4,761,952	\$ 210,403	Total Grants:	\$ -	\$ 18,750,000	\$ -	
2016	\$ 2,818,442	\$ (2,640,836)	\$ 277,568	\$ 1,414,378	\$ (8,840,000)	\$ (6,025,522)	\$ (6,025,522)	\$ (10,985,988)	\$ (10,985,988)	\$ (6,025,622)	\$ 2,524,736	\$ 277,568	\$ 4,761,952	\$ 277,568	Total Debt:	\$ -	\$ 18,750,000	\$ -	
2017	\$ 2,888,884	\$ (2,542,790)	\$ 346,094	\$ 1,404,000	\$ (1,188,007)	\$ (3,188,007)	\$ (1,188,007)	\$ (1,188,007)	\$ (1,188,007)	\$ (318,007)	\$ 1,335,775	\$ 346,094	\$ 3,135,775	\$ 346,094	INVESTMENT:	\$ 18,750,000	\$ -	\$ -	
2018	\$ 2,951,106	\$ (2,545,151)	\$ 415,935	\$ 1,024,1004	\$ (3,082,398)	\$ (3,082,398)	\$ (1,024,1004)	\$ (1,024,1004)	\$ (1,024,1004)	\$ (107,094,049)	\$ (3,082,398)	\$ (1,024,1004)	\$ (1,024,1004)	\$ (1,024,1004)	\$ (1,024,1004)	\$ 1,335,775	\$ 346,094	\$ 1,335,775	\$ 346,094
2019	\$ 3,035,154	\$ (2,687,929)	\$ 447,205	\$ 1,089,571	\$ (2,052,000)	\$ (962,429)	\$ (962,429)	\$ (1,089,571)	\$ (1,089,571)	\$ (962,429)	\$ (66,408)	\$ 403,258	\$ 447,205	\$ 403,258	RETURN CALC:	\$ 45,955	\$ (18,750,000)	\$ -	
2020	\$ 3,111,012	\$ (2,655,078)	\$ 455,935	\$ 1,137,921	\$ 1,137,921	\$ 1,137,921	\$ 1,137,921	\$ 1,137,921	\$ 1,137,921	\$ 13,117,829	\$ 13,117,829	\$ 1,137,921	\$ 1,137,921	\$ 1,137,921	\$ 1,137,921	Year 0:	\$ -	\$ -	\$ -
2021	\$ 3,198,768	\$ (2,696,964)	\$ 491,824	\$ 1,215,874	\$ 1,215,874	\$ 1,215,874	\$ 1,215,874	\$ 1,215,874	\$ 1,215,874	\$ 83,895	\$ 83,895	\$ 9,854	\$ 9,854	\$ 9,854	\$ 9,854	Year 1:	\$ -	\$ -	\$ -
2022	\$ 3,258,507	\$ (2,733,598)	\$ 534,909	\$ 1,303,616	\$ 1,303,616	\$ 1,303,616	\$ 1,303,616	\$ 1,303,616	\$ 1,303,616	\$ 89,950	\$ 89,950	\$ 10,057	\$ 10,057	\$ 10,057	\$ 10,057	Year 2:	\$ -	\$ -	\$ -
2023	\$ 3,320,220	\$ (2,774,994)	\$ 565,226	\$ 1,381,346	\$ 1,381,346	\$ 1,381,346	\$ 1,381,346	\$ 1,381,346	\$ 1,381,346	\$ 96,313	\$ 96,313	\$ 17,925	\$ 17,925	\$ 17,925	\$ 17,925	Year 3:	\$ -	\$ -	\$ -
2024	\$ 3,433,976	\$ (2,851,162)	\$ 562,814	\$ 1,449,270	\$ 1,449,270	\$ 1,449,270	\$ 1,449,270	\$ 1,449,270	\$ 1,449,270	\$ 100,000	\$ 100,000	\$ 8,929	\$ 8,929	\$ 8,929	\$ 8,929	Year 4:	\$ -	\$ -	\$ -
2025	\$ 3,734,559	\$ (2,848,781)	\$ 885,778	\$ 1,805,675	\$ 1,705,675	\$ 1,805,675	\$ 1,805,675	\$ 1,805,675	\$ 1,805,675	\$ 596,936	\$ 596,936	\$ 164,920	\$ 164,920	\$ 164,920	\$ 164,920	Year 5:	\$ -	\$ -	\$ -
2026	\$ 3,827,923	\$ (2,842,762)	\$ 985,161	\$ 1,961,796	\$ 1,837,204	\$ 1,961,796	\$ 1,961,796	\$ 1,961,796	\$ 1,961,796	\$ 643,021	\$ 643,021	\$ 135,364	\$ 135,364	\$ 135,364	\$ 135,364	Year 6:	\$ -	\$ -	\$ -
2027	\$ 3,923,621	\$ (2,837,307)	\$ 1,086,314	\$ 2,123,185	\$ 2,123,185	\$ 2,123,185	\$ 2,123,185	\$ 2,123,185	\$ 2,123,185	\$ 695,737	\$ 695,737	\$ 146,500	\$ 146,500	\$ 146,500	\$ 146,500	Year 7:	\$ -	\$ -	\$ -
2028	\$ 4,021,711	\$ (2,832,433)	\$ 1,189,279	\$ 2,280,102	\$ 2,280,102	\$ 2,280,102	\$ 2,280,102	\$ 2,280,102	\$ 2,280,102	\$ 750,261	\$ 750,261	\$ 158,017	\$ 158,017	\$ 158,017	\$ 158,017	Year 8:	\$ -	\$ -	\$ -
2029	\$ 4,122,254	\$ (2,828,152)	\$ 1,294,102	\$ 2,462,822	\$ 2,304,005	\$ 2,462,822	\$ 2,462,822	\$ 2,462,822	\$ 2,462,822	\$ 806,682	\$ 806,682	\$ 179,256	\$ 179,256	\$ 179,256	\$ 179,256	Year 9:	\$ -	\$ -	\$ -
2030	\$ 4,225,310	\$ (2,824,474)	\$ 1,400,851	\$ 2,641,655	\$ 2,471,700	\$ 2,641,655	\$ 2,641,655	\$ 2,641,655	\$ 2,641,655	\$ 865,096	\$ 865,096	\$ 182,273	\$ 182,273	\$ 182,273	\$ 182,273	Year 10:	\$ -	\$ -	\$ -
2031	\$ 4,330,943	\$ (2,821,431)	\$ 1,509,512	\$ 2,826,846	\$ 2,826,846	\$ 2,826,846	\$ 2,826,846	\$ 2,826,846	\$ 2,826,846	\$ 925,601	\$ 925,601	\$ 195,052	\$ 195,052	\$ 195,052	\$ 195,052	Year 11:	\$ -	\$ -	\$ -
2032	\$ 4,439,217	\$ (2,847,521)	\$ 1,591,565	\$ 2,990,149	\$ 2,795,597	\$ 2,990,149	\$ 2,990,149	\$ 2,990,149	\$ 2,990,149	\$ 978,284	\$ 978,284	\$ 206,776	\$ 206,776	\$ 206,776	\$ 206,776	Year 12:	\$ -	\$ -	\$ -
2033	\$ 4,550,197	\$ (2,874,527)	\$ 1,675,670	\$ 3,160,516	\$ 3,160,516	\$ 3,160,516	\$ 3,160,516	\$ 3,160,516	\$ 3,160,516	\$ 1,160,516	\$ 1,160,516	\$ 214,076	\$ 214,076	\$ 214,076	\$ 214,076	Year 13:	\$ -	\$ -	\$ -
2034	\$ 4,663,982	\$ (2,653,413)	\$ 2,010,539	\$ 3,317,633	\$ 3,317,633	\$ 3,317,633	\$ 3,317,633	\$ 3,317,633	\$ 3,317,633	\$ 1,084,845	\$ 1,084,845	\$ 228,917	\$ 228,917	\$ 228,917	\$ 228,917	Year 14:	\$ -	\$ -	\$ -
2035	\$ 4,725,561	\$ (1,339,995)	\$ 3,440,556	\$ 3,440,556	\$ 3,211,640	\$ 3,440,556	\$ 3,440,556	\$ 3,440,556	\$ 3,440,556	\$ 1,214,074	\$ 1,214,074	\$ 247,938	\$ 247,938	\$ 247,938	\$ 247,938	Year 15:	\$ -	\$ -	\$ -
2036	\$ 4,906,055	\$ (1,570,655)	\$ 3,529,453	\$ 3,529,453	\$ 3,292,035	\$ 3,529,453	\$ 3,529,453	\$ 3,529,453	\$ 3,529,453	\$ 1,251,212	\$ 1,251,212	\$ 245,533	\$ 245,533	\$ 245,533	\$ 245,533	Year 16:	\$ -	\$ -	\$ -
2037	\$ 5,022,566	\$ (1,402,034)	\$ 3,620,532	\$ 3,620,532	\$ 3,377,001	\$ 1,181,950	\$ 3,620,532	\$ 3,620,532	\$ 3,620,532	\$ 1,212,432	\$ 1,212,432	\$ 249,817	\$ 249,817	\$ 249,817	\$ 249,817	Year 17:	\$ -	\$ -	\$ -
2038	\$ 5,148,130	\$ (1,434,222)	\$ 3,713,908	\$ 3,713,908	\$ 3,464,091	\$ 1,212,432	\$ 3,713,908	\$ 3,713,908	\$ 3,713,908	\$ 1,262,246	\$ 1,262,246	\$ 258,260	\$ 258,260	\$ 258,260	\$ 258,260	Year 18:	\$ -	\$ -	\$ -
2039	\$ 5,216,834	\$ (1,467,215)	\$ 3,809,619	\$ 3,809,619	\$ 3,553,359	\$ 1,243,676	\$ 3,809,619	\$ 3,809,619	\$ 3,809,619	\$ 1,329,847	\$ 1,329,847	\$ 262,864	\$ 262,864	\$ 262,864	\$ 262,864	Year 19:	\$ -	\$ -	\$ -
2040	\$ 5,408,755	\$ (1,501,032)	\$ 3,907,722	\$ 3,907,722	\$ 3,644,858	\$ 1,275,700	\$ 3,907,722	\$ 3,907,722	\$ 3,907,722	\$ 1,382,745	\$ 1,382,745	\$ 269,633	\$ 269,633	\$ 269,633	\$ 269,633	Year 20:	\$ -	\$ -	\$ -
2041	\$ 5,643,973	\$ (1,535,695)	\$ 4,008,278	\$ 4,008,278	\$ 3,738,445	\$ 1,308,526	\$ 4,008,278	\$ 4,008,278	\$ 4,008,278	\$ 1,446,592	\$ 1,446,592	\$ 276,571	\$ 276,571	\$ 276,571	\$ 276,571	Year 21:	\$ -	\$ -	\$ -
2042	\$ 5,653,897	\$ (1,571,225)	\$ 3,992,672	\$ 3,992,672	\$ 3,716,017	\$ 1,300,635	\$ 3,992,672	\$ 3,992,672	\$ 3,992,672	\$ 1,500,791	\$ 1,500,791	\$ 275,494	\$ 275,494	\$ 275,494	\$ 275,494	Year 22:	\$ -	\$ -	\$ -
2043	\$ 5,684,318	\$ (1,607,643)	\$ 3,976,676	\$ 3,976,676	\$ 3,701,181	\$ 1,295,413	\$ 3,976,676	\$ 3,976,676	\$ 3,976,676	\$ 1,563,000	\$ 1,563,000	\$ 274,391	\$ 274,391	\$ 274,391	\$ 274,391	Year 23:	\$ -	\$ -	\$ -
Total	\$ 120,322,837	\$ (68,295,230)	\$ 52,027,607	\$ 35,152,607	\$ 30,863,121	\$ 67,891,912	\$ 35,152,607	\$ 35,152,607	\$ 35,152,607	\$ 2,425,530	\$ 2,425,530	\$ 25,844,707	\$ 25,844,707	\$ 25,844,707	\$ 25,844,707	IRR	\$ 16.6%	\$ -	\$ -

With leverage two key things happen to drive the IRR. The first one is the very small amount of capital invested relative to the total of all the credits (and the small amount of cash), and the second is an increase in Federal and State tax credits for the deduction based on interest, on the debt payments. The problem of course is the debt payments end up consuming a huge amount of the total cash flow which amplifies the point that the wind project makes more money in credits than it does in cash. This makes financing problematic on the merits of the project cash flow since debt coverage ratios get tight. The investors know this and in fact the cash is can become so light that there may not be enough to pay the taxes depending on how the expenses line up and how steep the debt amount and interest amounts are negotiated so the investor plans to make up the cash shortfalls in exchange for the tax credits which drive the investment decision in the first place.

Appendix F: 6 Turbine Wind Project Proforma and Inputs

10.8 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines; Input Variables and Quick Summary

Project Inputs			Quick Summary		
			Project Info		
Project Name			Size		
Year Project Installed			10,800 kW		
Month Project Installed			Net Annual Generation		
November			30,685,928 kWh		
Turbine Inputs			Net Capacity Factor		
Vestas V100 (1.8MW)			32.4%		
Turbine Size	6	turbines	Project Financing		
Turbine Size	1,800	kW	Cost	\$ 29,500,000	100.0%
Site Inputs			Cost per Turbine	\$ 4,916,667	
Gross Power Curve Annual Generation Estimate	34,744,031	kWh	Cost per Turbine	\$ 2,731	\$/kW
Estimated Gross Capacity Factor	37.86%		Financing		
Percent On-Peak	100.0%		Grants	\$ -	0.0%
Percent Off-Peak	0.0%		USDA	\$ -	0.0%
Electrical and Other Losses	8.0%		0	\$ -	0.0%
Wake Losses (Included in WaSP Prod. Est.)	3.00%		ITC Cash Grant	\$ 7,965,000	27.0%
Availability	96.0%		BETC Pass Through	\$ -	0.0%
Financing Inputs			Dev Team	\$ -	0.0%
Project Cost	\$ 2,731	\$/kW	Other Dev. Equity	\$ 6,785,000	23.0%
Depreciable Costs	95.0%		Debt	\$ 14,750,000	50.0%
Reduction for ITC Cash Grant Option in Depreciation Allowed	15.0%	15%	Tax Equity Investor Level		
Bonus Depreciation - 2011,2012 Construction	0.0%	of Project Cost	Pre-Flip		
Grants			Post-Flip		
USDA	\$ -		Flip Purchase Price		
		\$/turbine	Flip Purchase Year		
ITC Cash Grant	\$ -		Development Team Level		
Eligible ITC Costs	30.0%	30% of Project Cost	AWG Development		
Development Team LLC			AWG		
Towards Project Financing	\$ -		Finance Partner		
Towards Interest Reserve Account	\$ -		Project Level		
Developer	50.0%	in Dev. Team	IRR		
Landowner	50.0%	in Dev. Team	Project's Net Annual Operating Income		
Other TEAM Equity Contribution to Project	\$ -		Year	Net Annual Cash Flow	Debt Service Coverage Ratio
Developer	50.0%		2014	\$ 53,650	1.25
Finance Partner	50.0%		2015	\$ 152,189	1.12
Investment Percentages			2016	\$ 204,701	1.16
Developer	50.0%		2017	\$ 258,246	1.20
Finance Partner	50.0%		2018	\$ 312,847	1.25
Cost of Short Term Debt	10.0%	%/yr	2019	\$ 338,532	1.27
Amount of Short Term Debt	\$ 300,000	early Expenses	2020	\$ 340,795	1.27
Federal Marginal Tax Rate - Development Team	35.0%		2021	\$ 368,682	1.29
Working Capital Account Return	2.5%	APR	2022	\$ 402,222	1.32
Project Development Fees at Closing	6.0%	of Project Cost	2023	\$ 421,441	1.33
Debt Financing			2024	\$ 436,371	1.34
Debt Proportion	50.0%	40%	2025	\$ 666,642	1.53
Interest Rate	6.00%		2026	\$ 744,277	1.59
Project Portion, Term		20 years	2027	\$ 823,289	1.65
Tax Equity Investor			2028	\$ 903,715	1.71
Federal Marginal Tax Rate - TEI	35.0%		2029	\$ 985,587	1.78
STATE:	IDAHO MONTANA		2030	\$ 1,068,944	1.84
State Marginal Tax Rate	6.9%		2031	\$ 1,153,821	1.91
Other Equity, BETC, - Applicable	No		2032	\$ 1,217,736	1.96
Utilize BETC Pass-Through?	No		2033	\$ 1,283,249	2.01
BETC Value	0.00%	of Project Cost	2034	\$ 1,541,747	2.46
BETC Self Use VALUE \$ (Awarded in 2011)	\$ -		2035	\$ 2,665,697	
Discount Alternative Amount for Pass Through BETC	0.0%	33.50%	2036	\$ 2,734,591	
BETC Pass Through Cash Value Alternative	\$ -		2037	\$ 2,805,208	
Net Operating Loss Portion			2038	\$ 2,877,590	
Discount Rate for Tax Credit IRR Calculations	8.0%		2039	\$ 2,951,782	
Discount Rate for Average NPV Calculations	10.0%		2040	\$ 3,027,829	
FMV Discount Rate for Buyout Calculations	12.0%		2041	\$ 3,105,777	
Montana State Investment Tax Credit Applicable	No		2042	\$ 3,093,531	
Montana State Investment Tax Credit (State ITC)	35.0%	% of CapitalCost	2043	\$ 3,080,979	
Tax Equity Flip Periods			Average DSCR		
Length of Period 1	5	years			
Length of Period 2	5	years			
Annual Revenue Inputs					

Project Default Sales Rate	\$ 0.0350	\$/kWh
REC Sales Rate Yrs 1-10	\$ 0.0060	\$/kWh
Able to Sell % of Available RECs Yrs 1-10	100.0%	
REC Sales Rate Yrs 11-20	\$ 0.0100	
Able to Sell % of Available RECs Yrs 11-20	100.0%	
Malmstrom Base % ONSITE ENERGY USE	81.3%	
Malmstrom Base % OFFSITE ENERGY SALES	18.7%	28.9
CPI/ Inflation Rate	2.5%	per year

Annual Operations Inputs		
O&M Contract (10yrWarranty escalated with CPI, \$65k/Turbine)	\$ 0.0049	\$/kWh
Warranty - Annual Rate Years 1-5	\$ 0.0049	\$/kWh
Warranty Adder Years 6-10	\$ 0.0010	\$/kWh
Liability Insurance (per MW installed)	\$ 12,000	\$/MW
MONTANA - County Zone Tax Mill Rate - CASCADE COUNTY	508.9600	\$\$/1000
Category 14 Property Tax Value/Montana	3%	
MONTANA - Property Tax Rate Estimate	\$ 225.215	\$Total no ValueAdj
MONTANA - Property Tax Rate Estimate per MW	\$ 20,853	\$/MW
IDAHO - Property Tax Rate	3%	% Gross ElecSales
IDAHO - First Full Year Tax Amount Estimate	\$ 58,186	\$Total
IDAHO - State Sales Tax Rate	6.0%	% of Equip
General & Administrative Costs		
Operation Management/ Administration/ Reporting/ Forecasting Contract	2.0%	% of Gross
Decommissioning Requirements	No	
Decommissioning Amount (per turbine)	\$ 25,000	\$/turbine
Decommissioning Bond (annual % of Decomm Amount)	5%	
General Site Upkeep, Weeds, Roads	\$ 1,500	\$/year
Power Purchase Agreement Letter of Credit	0.0%	0.5 %GrossRev
Transmission Service Letter of Credit	0.0%	%TotalTxFees
Phones, Internet, Supplies, Equipment	\$ 100	\$/mo
Land Lease Fees		
Land Lease Fee (Landowner to Development Team)	0.0%	% of Gross
Production Taxes on Electricity	Yes	
Production Taxes on Electricity (Years 1-10)	\$ 0.00015	\$/kWh produced
Production Taxes on Electricity (Years 11-20)	\$ 0.00015	\$/kWh produced
Transmission Rates		
Local Utility	No	
Wheeling Rate Northwestern (est \$k/yr)	\$ -	\$/kWh
Local Utility Wind Integration Rate	\$ -	\$/kWh
BPA	No	
Use of Facility Fee	\$ -	\$/year
Long Term PTP Rate (typ 1.3)	\$ -	\$/kW-mo
Ancillary Rate		
Scheduling, System Control, and Dispatch	\$ -	\$/kW-mo
Reactive Supply & Voltage Control from Generation Sources	\$ -	\$/kW-mo
Regulation and Frequency Response	\$ -	\$/kWh
Energy Imbalance	\$ -	
Operating Reserve - Spinning Reserve	\$ -	\$/kWh
Operating Reserve - Supplemental Reserve	\$ -	\$/kWh
BPA Wind Integration Rate	\$ -	\$/kW-mo

Tax Equity Investor - Development Team OWNERSHIP		
Tax Equity Investor	Years 1-5	100%
Tax Equity Investor	Years 6-30	100%
Development Team	Years 1-5	0%
Development Team	Years 6-30	0%
Year 6 Buyout Amount	Buyout of 5% TE Owner	\$ -
PTC Model Tax Equity Investor Years 1-10		100%

Power Purchase Utility Information		
Power Sales To:	Northwestern	
NPV of PTC	\$ 4,757,889	
FEDERAL PRODUCTION TAX CREDIT - PTC		
Annual Percentage Increase	2.50%	Annual Credit Value:
2012 START Value	\$ 0.0220	\$ 112,823
2	\$ 0.0226	\$ 691,968
3	\$ 0.0231	\$ 709,267
4	\$ 0.0237	\$ 726,999
5	\$ 0.0243	\$ 745,174
6	\$ 0.0249	\$ 763,803
7	\$ 0.0255	\$ 782,898
8	\$ 0.0262	\$ 802,470
9	\$ 0.0268	\$ 822,532
10	\$ 0.0275	\$ 843,095
Year 11 month from 2012	\$ 0.0282	\$ 792,158
Total Value of 10 Years of PTC:		\$ 7,793,187
Energy Trust of Oregon		
Initial Development Assistance Amount:	\$ -	
Annual Average Base Contribution:	\$ -	
Years of Assistance	\$ -	
Front End Loading Declining Percentage of Assistance Each Year		
1	200%	\$ -
2	175%	\$ -
3	100%	\$ -
4	100%	\$ -
5	100%	\$ -
6	100%	\$ -
7	100%	\$ -
8	100%	\$ -
9	50%	\$ -
10	25%	\$ -

11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines; Major Input Variables and Financial Return Summary

Quick Summary - Project Info		Project's Net Annual Operating Income					
	Vestas V100 (1.8MW)	Year	Net Annual Cash Flow	Annual	Cash Flow	Debt Service	Coverage Ratio
Size	10,800 kW	2014	\$ 53,650			1.25	
Net Annual Generation	30,685,928 kWh	2015	\$ 152,189			1.12	
Net Project Capacity Factor	32.4%	2016	\$ 204,701			1.16	
Total Capital Cost:	\$ 29,500,000	2017	\$ 258,246			1.20	
Financing							
Grants		2018	\$ 312,847			1.25	
USDA Energy Trust / Other		2019	\$ 338,532			1.27	
ITC Cash Grant		2020	\$ 340,795			1.27	
Development TEAM Long Term Equity		2021	\$ 368,682			1.29	
Other TEAM Long Term Equity		2022	\$ 402,222			1.32	
Tax-Equity Investor		2023	\$ 421,441			1.33	
Debt		2024	\$ 436,371			1.34	
Project Key Input Variables							
Project Name	Malmstrom						
Year Project Installed	2014						
Month Project Installed	November						
Turbine Inputs							
Number of Turbines	6	turbines					
Turbine Size	1800 kW Each						
Site Inputs							
Estimated Gross Capacity Factor	37.66%						
Electrical Losses	8.00%						
Wake Losses (Included in WasP Prod. Est.)	3.00%						
Availability	96.00%						
Financing Inputs							
Project Cost	\$ 2,731/kW						
MACRS Depreciable Costs	95.0% of Project Cost						
ITC Cash Grant	30.0% of Project Cost						
Eligible ITC Costs	90.0% of Project Cost						
Bonus Depreciation Allowed First Year	0.0% of Project Cost						
Debt Financing							
Debt Proportion	50.0%						
Interest Rate	6.00%	years					
Project Portion, Term	20						
Annual Revenue and Operational Cost General Factors		Average DSCR 1.54					
Blended ON-SITE Contract Sales Rate YEAR 1	\$ 61.57/MWh						
Blended OFF-SITE Contract Sales Rate YEAR 1	\$ 46.18/MWh						
REC Sales Rate	\$ 6.00/MWh						
CPI / Inflation Rate	2.5% per year						
Blended Wheeling Rate, Facility, Transmission, etc. (Local and/or BPA)	\$ 0.0073/kWh						
Property Taxes	\$ 0.0098/kWh						
O&M Contract (10yr/Warranty Escalated with CPI, \$65k/Turbine)	\$ 0.0009/kWh						
Operation Management/ Administration/ Reporting/ Forecasting Contract	2.0% of Gross Production Tax Rate						
Land Lease / Fees	0.0% of Gross Production Tax Rate						
Production Tax Rate	\$ 0.00015/kWh						
6 TURBINES		20 YEAR PROJECT RETURNS					
		UNLEVERAGED	LEVERAGED				
INVESTMENT TAX CREDIT (ITC) as Cash Grant	4.9%		16.0%				
INVESTMENT TAX CREDIT (ITC) as TAX CREDIT	5.6%		16.4%				
PRODUCTION TAX CREDIT (PTC) MODEL	4.5%		8.0%				

The returns calculated show the effect of the bank debt at the terms and conditions indicated on the input sheet. The debt coverage ratio above is dynamically colored based on a ratio below 1.4 colored orange and below 1.2 colored red. Typically banks want the project to be above 1.4 in all cases. Firm sales contracts can help secure financing.

10.8 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines;

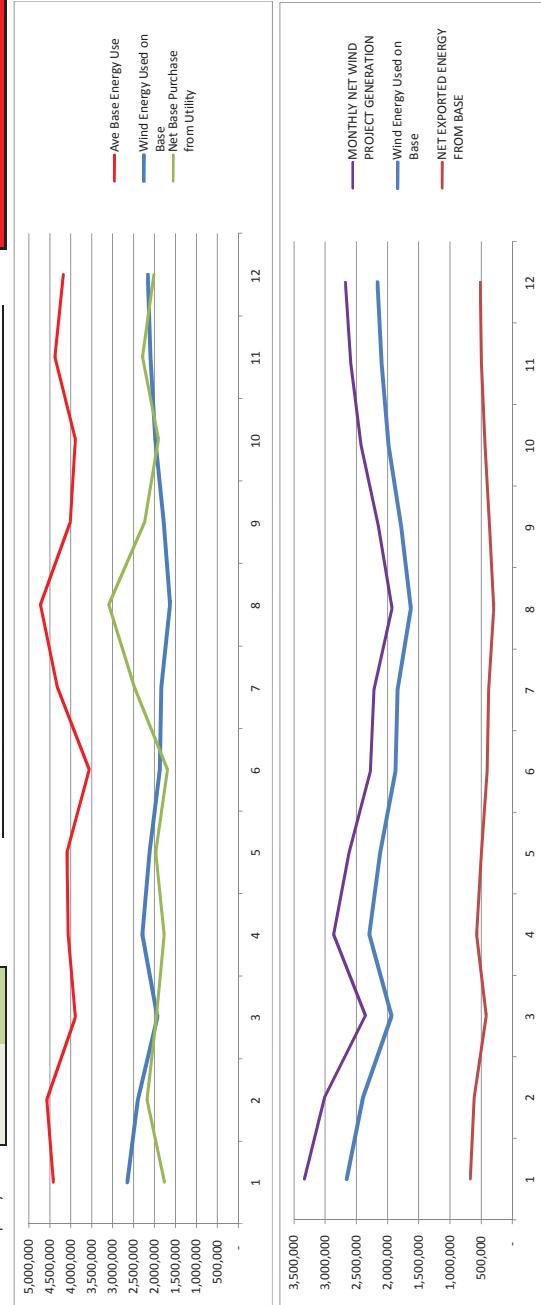
Wind Data Energy Production Model

Turbine Selection:
Vestas V100 (1.8MW)
Number of turbines:
6
Project Size (Total kW):
10,800

Note: The Weibull model was used to estimate the percent of time in the month that the wind project was generating over 6MW of Power from the actual on-site wind speed data. The actual BASE energy usage average for the month appears to be at about 6 MW load, so the data was used to estimate % of energy produced above that level

		Percent Deduction for Actual Expected Export:		Estimated actual percent export		Percent Export from Webull {INPUT}		MONTHLY NET WIND PROJECT GENERATION		NET EXPORTED ENERGY FROM BASE		% of Base Energy from Wind		
		Gross Monthly Capacity	Monthly Net Capacity	6 TURBINES	6 TURBINES	6 TURBINES	6 TURBINES	3,329,482	676,884	2,652,599	60%	2,395,894	52%	
Malmstrom AFB monthly average wind speeds at 34m AGL	1.8MW V100	Webull energy Prod. (1)	Monthly Percent of Annual Gen.	41.4%	21.4%	20.3%	20.3%	3,329,482	676,884	2,652,599	60%	2,395,894	52%	
Jan-11	7.3	16.33 mph	10.94%	48.37%	41.4%	21.4%	20.3%	3,007,273	611,379	1,933,505	50%	3,890,976	1,957,470	
Feb-11	7.3	16.33 mph	9.88%	48.37%	41.4%	21.4%	20.3%	2,353,914	420,409	1,933,505	50%	4,415,121	1,762,522	
Mar-11	5.5	12.30 mph	457,940	7.73%	34.20%	29.3%	18.8%	2,866,466	574,383	2,301,883	56%	4,572,576	2,176,681	
Apr-11	6.5	14.54 mph	557,654	9.42%	43.03%	36.3%	21.1%	2,866,466	574,383	2,301,883	56%	4,063,532	1,771,643	
May-11	5.9	13.20 mph	509,034	8.60%	38.01%	32.6%	20.0%	2,616,549	497,144	2,119,405	52%	4,093,452	1,674,047	
Jun-11	5.5	12.30 mph	443,168	7.49%	34.20%	29.3%	18.8%	2,277,983	406,248	1,871,135	53%	3,560,334	1,681,198	
Jul-11	5.3	11.86 mph	431,464	7.29%	32.22%	27.6%	18.0%	2,217,822	379,247	1,838,574	43%	4,321,524	2,482,349	
Aug-10	4.9	10.96 mph	374,860	6.33%	27.99%	24.0%	16.3%	1,926,864	298,375	1,628,489	34%	4,722,659	3,094,210	
Sep-10	5.3	11.86 mph	417,545	7.05%	32.22%	27.6%	18.0%	17.1%	2,146,275	367,013	1,779,262	44%	4,014,260	2,234,998
Oct-10	5.6	12.53 mph	471,408	7.96%	35.20%	30.2%	19.1%	18.1%	2,423,143	439,679	1,983,463	51%	3,988,522	1,305,059
Nov-10	6	13.42 mph	504,029	8.51%	38.89%	33.3%	20.2%	19.2%	2,590,822	497,479	2,099,643	48%	4,381,966	2,288,323
Dec-10	6	13.42 mph	520,830	8.80%	38.89%	33.3%	20.2%	19.2%	2,677,183	513,751	2,163,431	52%	4,175,632	2,012,200
Total 11 Turbine kWh, gross:	5,920,710	For 6 turbines, in kWh:	35,524,260	37.63%	Average:	18.5%	20.00%	30,433,776	5,682,491	24,751,284	50%	50,100,592	25,349,308	
Gross Capacity Factor:	37.9%	% of Gross	32.4%	85.7%				100%	18.7%	81.3%		100.0%	56%	

ENERGY USAGE AND GENERATION CHARTS MONTHLY KWH



11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines

Malmstrom Wind Project; Annual Loan Amortization Schedule

Project Financing Summary		
Project Cost:	\$ 29,500,000	100.0%
USDA	\$ -	0.0%
ITC Cash Grant	\$ (7,965,000)	27.0%
	\$ -	0.0%
Year 1 Tax Bill = \$000,000; 34% tax bracket		
TOTAL EQUITY CONTRIBUTIONS		
Development Team	\$ -	0.0%
Other Dev Equity	\$ -	0.0%
Tax Equity Investor(s)	\$ (6,785,000)	23.0%
Total Equity:	\$ 23.0%	(\$6,785,000)
Project Debt Financing:	\$ (14,750,000)	50.0%
		100.0%
Debt Proportion	50.0%	
Interest Rate	6.0%	
Project Portion, Term	20.00	years

Year	Interest Principle Total	PROJECT DEBT PAYMENTS	
		Interest	Principal
2014	\$ 147,340	\$ 64,007	\$ 211,347
2015	\$ 870,340	\$ 397,743	\$ 1,268,083
2016	\$ 845,808	\$ 422,275	\$ 1,268,083
2017	\$ 819,763	\$ 448,320	\$ 1,268,083
2018	\$ 792,112	\$ 475,971	\$ 1,268,083
2019	\$ 762,755	\$ 505,328	\$ 1,268,083
2020	\$ 731,587	\$ 536,496	\$ 1,268,083
2021	\$ 698,497	\$ 569,586	\$ 1,268,083
2022	\$ 663,366	\$ 604,717	\$ 1,268,083
2023	\$ 626,069	\$ 642,014	\$ 1,268,083
2024	\$ 586,471	\$ 681,161	\$ 1,268,083
2025	\$ 544,430	\$ 723,653	\$ 1,268,083
2026	\$ 499,797	\$ 768,286	\$ 1,268,083
2027	\$ 452,411	\$ 815,672	\$ 1,268,083
2028	\$ 402,102	\$ 865,981	\$ 1,268,083
2029	\$ 348,690	\$ 919,393	\$ 1,268,083
2030	\$ 291,984	\$ 976,099	\$ 1,268,083
2031	\$ 231,780	\$ 1,036,302	\$ 1,268,083
2032	\$ 167,864	\$ 1,100,219	\$ 1,268,083
2033	\$ 100,005	\$ 1,168,078	\$ 1,268,083
2034	\$ 28,488	\$ 1,028,247	\$ 1,056,736
	\$ 10,611,659	\$ 14,750,000	\$ 25,361,659

11 MW Malmstrom Wind Project; (6) 1.8-MW Wind Turbines; Project Breakdown Budget / Capital Expenditures (CAPEX)

Equipment/Shipping	Cost	Qty		Total
1.8MW Turbines, 80m Towers	\$ 2,150,000	6		\$12,900,000
Service Elevator	\$ 25,000	6		\$150,000
Commissioning and Technical Advisory Services	\$ 30,000	6		\$180,000
SCADA Upgrades	\$ 250,000	1		\$250,000
Turbine Add-On Packages (cold weather, tools, lights, etc)	\$ 40,000	6		\$240,000
Shipping	\$ 125,000	6		\$750,000
		45.3%	S/T	\$ 14,470,000
Engineering & Design				
Wind Resource Assessment Fee	\$ 15,000	1		\$15,000
Geotechnical Analysis	\$ 75,000	1		\$75,000
Foundation Design	\$ 25,000	1		\$25,000
SGIA Applications, Studies, Utilities	\$ 150,000	1		\$150,000
Pre-Development Expenses	\$ 300,000	1		\$300,000
Electrical Engineer One-Line, Design, Substation, Transmission R	\$ 90,000	1		\$90,000
		2.1%	S/T	\$ 655,000
Permitting/Fees				
CUP - Building Permits	\$ 5,000	1		\$5,000
Environmental Studies	\$ 12,000	1		\$12,000
Foundation Permits	\$ 3,000	6		\$18,000
Electrical Permit	\$ 40,000	1		\$40,000
		0.2%	S/T	\$ 75,000
Foundation/Tower/Erection/Site Office O&M Facility				
Site Office O&M Facility	\$ 180,000	1		\$180,000
Foundations	\$ 150,000	6		\$900,000
				\$0
Turbine Wiring - Downtower Electrical Work	\$ 60,000	6		\$360,000
				\$0
Tower, Crane, Erection	\$ 145,000	6		\$870,000
		7.2%	S/T	\$ 2,310,000
Roads				
Material & Equipment, Labor - 4000'	\$ 265,000	1		\$265,000
		0.8%	S/T	\$ 265,000
Electrical Distribution and Site Substation Installation				
Turbine Transformers 2MVA	\$ 40,000	6		\$240,000
Underground Distribution, Wiring, Arrays	\$ 560,000	1		\$560,000
Metering Equipment and Misc Upgrades	\$ 200,000	1		\$200,000
Substation Structures and Construction	\$ 700,000	1		\$700,000
Substation Transformer and Appurtenant Equip	\$ 2,000,000	1		\$2,000,000
		11.6%	S/T	\$ 3,700,000
Electrical Interconnection with Utility				
New Distribution Lines	\$ 3,500,000	1		\$3,500,000
Interconnection Facilities	\$ 1,500,000	1		\$1,500,000
Communications Equipment	\$ 150,000	1		\$150,000
		16.1%	S/T	\$ 5,150,000
Legal Costs				
Lease Agreement, Op Agmts, PPA	\$ 25,000	1		\$25,000
Construction Agreements	\$ 12,000	1		\$12,000
Turbine Supply Agreements	\$ 20,000	1		\$20,000
		0.2%	S/T	\$ 57,000
Financing Costs and Sales Tax				
Finance Fees	\$ 400,000	1		\$400,000
Construction Financing Interest	\$ 500,000	1		\$500,000
Idaho State Sales Tax on Equipment	\$19,200,000	6.0% of Project Equip.		\$1,152,000
		6.4%	S/T	\$ 2,052,000
Developers Fee and Contingency				
				\$0
Project Development Fees with Performance Guarantees	\$ 1,770,000	6.0% of Project w Perf.G.		\$1,770,000
Contingency (not incl on fixed price contracts, Turbines)	\$ 1,412,400	20% of Project Variable \$		\$1,412,400
				\$0
		10.0%	S/T	\$ 3,182,400
Total From This BREAKDOWN BUDGET	2,955	\$/kW	\$	31,916,400
Total From \$/kW in PROFORMA SHEET MODEL	2,731	\$/kW	\$	29,500,000



11 MW Malmstrom Wind Project

30 Year G&A Expenses

Malmstrom Wind Project; (6) 1.80-MW Wind Turbines;

30 Year O&M Expenses with RESERVE ACCOUNTS

Year	2.0% of Gross Annual Revenues	\$ 1,500 per Year	0.0% of Gross Energy Revenues	\$ 100 per Month	\$ 0.098 per kWh of Annual Generation		Annual Expense on Misc. Parts	\$ 5,000	\$ 20,000	\$ 20,000	\$ 60,000		ANNUAL RESERVE ACCOUNT CONTRIBUTION	CUMULATIVE RESERVE ACCOUNT BALANCE
					Net Annual Production:	30,685,928 kWh								
2014	\$ (6,940)	\$ (1,500)	\$ -	\$ (1,200)	\$ (9,640)		\$ (50,000)					\$ (50,000)	\$ -	\$ -
2015	\$ (42,565)	\$ (1,538)	\$ -	\$ (1,230)	\$ (45,333)		\$ (300,000)					\$ (300,000)	\$ -	\$ -
2016	\$ (43,629)	\$ (1,576)	\$ -	\$ (1,261)	\$ (46,466)		\$ (307,500)					\$ (307,500)	\$ -	\$ -
2017	\$ (44,720)	\$ (1,615)	\$ -	\$ (1,292)	\$ (47,628)		\$ (315,188)					\$ (315,188)	\$ -	\$ -
2018	\$ (45,838)	\$ (1,656)	\$ -	\$ (1,325)	\$ (48,818)		\$ (323,067)					\$ (323,067)	\$ -	\$ -
2019	\$ (46,984)	\$ (1,697)	\$ -	\$ (1,358)	\$ (50,039)		\$ (361,144)					\$ (361,144)	\$ -	\$ -
2020	\$ (48,159)	\$ (1,740)	\$ -	\$ (1,392)	\$ (51,290)		\$ (370,172)					\$ (390,172)	\$ (20,000)	\$ (20,000)
2021	\$ (49,363)	\$ (1,783)	\$ -	\$ (1,426)	\$ (52,572)		\$ (379,427)					\$ (400,427)	\$ (20,000)	\$ (20,000)
2022	\$ (50,597)	\$ (1,828)	\$ -	\$ (1,462)	\$ (53,886)		\$ (388,912)					\$ (408,912)	\$ (20,000)	\$ (60,000)
2023	\$ (51,862)	\$ (1,873)	\$ -	\$ (1,499)	\$ (55,234)		\$ (398,635)					\$ (438,635)	\$ (40,000)	\$ (100,000)
2024	\$ (53,158)	\$ (1,920)	\$ -	\$ (1,536)	\$ (56,614)		\$ (408,601)	\$ (30,000)	\$ (20,000)			\$ (478,601)	\$ (40,000)	\$ (140,000)
2025	\$ (57,708)	\$ (1,968)	\$ -	\$ (1,575)	\$ (61,251)		\$ (418,816)	\$ (30,750)	\$ (20,000)			\$ (489,566)	\$ (40,000)	\$ (180,000)
2026	\$ (59,151)	\$ (2,017)	\$ -	\$ (1,614)	\$ (62,782)		\$ (429,287)	\$ (31,519)	\$ (20,000)			\$ (500,805)	\$ (40,000)	\$ (220,000)
2027	\$ (60,630)	\$ (2,068)	\$ -	\$ (1,654)	\$ (64,332)		\$ (440,019)	\$ (32,307)	\$ (20,000)			\$ (512,325)	\$ (40,000)	\$ (260,000)
2028	\$ (62,145)	\$ (2,119)	\$ -	\$ (1,696)	\$ (65,960)		\$ (451,019)	\$ (33,114)	\$ (20,000)			\$ (524,134)	\$ (40,000)	\$ (300,000)
2029	\$ (63,699)	\$ (2,172)	\$ -	\$ (1,738)	\$ (67,609)		\$ (462,295)	\$ (33,942)	\$ (20,000)			\$ (536,237)	\$ (40,000)	\$ (340,000)
2030	\$ (65,291)	\$ (2,227)	\$ -	\$ (1,781)	\$ (69,300)		\$ (473,852)	\$ (34,791)	\$ (20,000)			\$ (548,643)	\$ (40,000)	\$ (380,000)
2031	\$ (66,924)	\$ (2,282)	\$ -	\$ (1,826)	\$ (71,032)		\$ (485,698)	\$ (35,661)	\$ (20,000)			\$ (561,359)	\$ (40,000)	\$ (420,000)
2032	\$ (68,597)	\$ (2,339)	\$ -	\$ (1,872)	\$ (72,808)		\$ (497,841)	\$ (36,552)	\$ (20,000)			\$ (574,393)	\$ (40,000)	\$ (460,000)
2033	\$ (70,312)	\$ (2,398)	\$ -	\$ (1,918)	\$ (74,628)		\$ (510,287)	\$ (37,466)	\$ (20,000)			\$ (587,753)	\$ (40,000)	\$ (500,000)
2034	\$ (72,070)	\$ (2,458)	\$ -	\$ (1,966)	\$ (76,494)		\$ (523,044)	\$ (38,403)				\$ (621,447)	\$ (60,000)	\$ (560,000)
2035	\$ (73,871)	\$ (2,519)	\$ -	\$ (2,015)	\$ (78,406)		\$ (536,120)	\$ (39,363)				\$ (636,983)	\$ (61,500)	\$ (621,500)
2036	\$ (75,718)	\$ (2,582)	\$ -	\$ (2,066)	\$ (80,386)		\$ (549,523)	\$ (40,347)				\$ (632,907)	\$ (63,038)	\$ (63,038)
2037	\$ (77,611)	\$ (2,647)	\$ -	\$ (2,118)	\$ (82,375)		\$ (563,261)	\$ (41,355)				\$ (64,613)	\$ (64,613)	\$ (749,151)
2038	\$ (79,551)	\$ (2,713)	\$ -	\$ (2,170)	\$ (84,435)		\$ (577,343)	\$ (42,359)				\$ (66,229)	\$ (66,229)	\$ (815,380)
2039	\$ (81,540)	\$ (2,781)	\$ -	\$ (2,225)	\$ (86,546)		\$ (591,776)	\$ (43,449)				\$ (67,884)	\$ (67,884)	\$ (883,264)
2040	\$ (83,579)	\$ (2,850)	\$ -	\$ (2,280)	\$ (88,709)		\$ (606,571)	\$ (44,535)				\$ (69,582)	\$ (69,582)	\$ (952,846)
2041	\$ (85,668)	\$ (2,922)	\$ -	\$ (2,337)	\$ (90,927)		\$ (621,735)	\$ (45,649)				\$ (71,321)	\$ (71,321)	\$ (1,024,167)
2042	\$ (85,967)	\$ (2,995)	\$ -	\$ (2,396)	\$ (91,1357)		\$ (637,278)	\$ (46,750)				\$ (73,104)	\$ (73,104)	\$ (1,097,271)
2043	\$ (86,273)	\$ (3,070)	\$ -	\$ (2,456)	\$ (91,798)		\$ (653,210)	\$ (47,960)				\$ (74,932)	\$ (74,932)	\$ (1,172,203)
													\$ (1,978,656)	\$ (1,978,656)

14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines; Production and Property Tax Calculations

Year	TOTAL Annual MT Electricity Production	Tax Payments Montana Tax Revenue	Strategic Line Valuation for Tax Calc	Depreciation for Tax Calc	Taxable Value Code	Business Cash Value Years (Cash Value)	Actual Tax Owed for Business Disposal 10	Schedule June Payment	Schedule November Payment	TOTAL Annual Property Green and Emerging Business Discount 10 yrs	YR
	\$0.00015 per kWh of Elect Sales	Straight line 20 year depreciation down to 20% minimum	Special Category Assets	3%	\$ 1,328,767			Payment Staggered 50%	Second Payment for Prev Year 50%	\$508,960 per \$1000/year	0.50896
2014	\$ (769)	\$ 29,500,000	\$ 885,000	\$ 225,215	\$ (225,215)					\$ -	50%
2015	\$ (4,603)	\$ 28,025,000	\$ 840,750	\$ 213,954	\$ (213,954)	\$ (112,607)	\$ (112,607)			\$ (225,215)	50%
2016	\$ (4,603)	\$ 26,550,000	\$ 796,500	\$ 202,693	\$ (202,693)	\$ (106,977)	\$ (106,977)			\$ (213,954)	50%
2017	\$ (4,603)	\$ 25,075,000	\$ 752,250	\$ 191,433	\$ (191,433)	\$ (101,347)	\$ (101,347)			\$ (202,693)	50%
2018	\$ (4,603)	\$ 23,600,000	\$ 708,000	\$ 180,172	\$ (180,172)	\$ (95,716)	\$ (95,716)			\$ (191,433)	50%
2019	\$ (4,603)	\$ 22,125,000	\$ 663,750	\$ 135,129	\$ (202,693)	\$ (90,886)	\$ (90,886)			\$ (180,172)	40%
2020	\$ (4,603)	\$ 20,650,000	\$ 619,500	\$ 94,590	\$ (220,711)	\$ (101,347)	\$ (101,347)			\$ (202,693)	30%
2021	\$ (4,603)	\$ 19,175,000	\$ 575,250	\$ 58,556	\$ (234,223)	\$ (110,355)	\$ (110,355)			\$ (220,711)	20%
2022	\$ (4,603)	\$ 17,700,000	\$ 531,000	\$ 27,026	\$ (243,232)	\$ (117,112)	\$ (117,112)			\$ (234,223)	10%
2023	\$ (4,603)	\$ 16,225,000	\$ 486,750	\$ -	\$ (247,736)	\$ (121,616)	\$ (121,616)			\$ (243,232)	0%
2024	\$ (4,603)	\$ 14,750,000	\$ 442,500		\$ (225,215)	\$ (123,888)	\$ (123,888)			\$ (247,736)	
2025	\$ (4,603)	\$ 13,275,000	\$ 398,250		\$ (202,693)	\$ (112,607)	\$ (112,607)			\$ (225,215)	
2026	\$ (4,603)	\$ 11,800,000	\$ 354,000		\$ (180,172)	\$ (101,347)	\$ (101,347)			\$ (202,693)	
2027	\$ (4,603)	\$ 10,325,000	\$ 309,750		\$ (157,650)	\$ (90,086)	\$ (90,086)			\$ (180,172)	
2028	\$ (4,603)	\$ 8,850,000	\$ 265,500		\$ (135,129)	\$ (78,825)	\$ (78,825)			\$ (157,650)	
2029	\$ (4,603)	\$ 7,375,000	\$ 221,250		\$ (112,607)	\$ (67,564)	\$ (67,564)			\$ (135,129)	
2030	\$ (4,603)	\$ 5,900,000	\$ 177,000		\$ (90,086)	\$ (56,304)	\$ (56,304)			\$ (112,607)	
2031	\$ (4,603)	\$ 5,900,000	\$ 177,000		\$ (90,086)	\$ (45,043)	\$ (45,043)			\$ (90,086)	
2032	\$ (4,603)	\$ 5,900,000	\$ 177,000		\$ (90,086)	\$ (45,043)	\$ (45,043)			\$ (90,086)	
2033	\$ (4,603)	\$ 5,900,000	\$ 177,000		\$ (90,086)	\$ (45,043)	\$ (45,043)			\$ (90,086)	
2034	\$ (4,603)	\$ 5,900,000	\$ 177,000		\$ (90,086)	\$ (45,043)	\$ (45,043)			\$ (90,086)	
2035	\$ (4,603)	\$ 5,900,000	\$ 177,000		\$ (90,086)	\$ (45,043)	\$ (45,043)			\$ (90,086)	
2036	\$ (4,603)	\$ 5,900,000	\$ 177,000		\$ (90,086)	\$ (45,043)	\$ (45,043)			\$ (90,086)	
2037	\$ (4,603)	\$ 5,900,000	\$ 177,000		\$ (90,086)	\$ (45,043)	\$ (45,043)			\$ (90,086)	
2038	\$ (4,603)	\$ 5,900,000	\$ 177,000		\$ (90,086)	\$ (45,043)	\$ (45,043)			\$ (90,086)	
2039	\$ (4,603)	\$ 5,900,000	\$ 177,000		\$ (90,086)	\$ (45,043)	\$ (45,043)			\$ (90,086)	
2040	\$ (4,603)	\$ 5,900,000	\$ 177,000		\$ (90,086)	\$ (45,043)	\$ (45,043)			\$ (90,086)	
2041	\$ (4,603)	\$ 5,900,000	\$ 177,000		\$ (90,086)	\$ (45,043)	\$ (45,043)			\$ (90,086)	
2042	\$ (4,603)	\$ 5,900,000	\$ 177,000		\$ (90,086)	\$ (45,043)	\$ (45,043)			\$ (90,086)	
2043	\$ (4,603)	\$ 5,900,000	\$ 177,000		\$ (90,086)	\$ (45,043)	\$ (45,043)			\$ (90,086)	
						\$ (4,436,732)				\$ (4,346,646)	

1.1 MW Mainstrom Wind Project; (6) 1.80-MW Wind Turbines;

Summary of Project Tax Benefits

		FEDERAL ITC		STATE DEPRECIATION		FEDERAL LOSSES						STATE LOSSES						TOTAL	
						Effective Costs	Reduction for ITC use	Rate	To PSL	(NOL) or Taxable Income	TEI	Loss	Value	TEI	Loss	Value			
Bonus				MACRS Schedule															
0%	Total ITC	20.00%	20.00%	16.15%	\$ 4,761,250	16.15%	\$ 4,761,250	\$ (4,646,593)	\$ (4,646,593)	\$ 1,626,307	\$ (4,646,593)	\$ 320,615	0%	\$ -	\$ 1,946,922				
2015	Allowables	32.00%	32.00%	25.84%	\$ 7,622,800	25.84%	\$ 7,622,800	\$ (7,072,968)	\$ (7,072,968)	\$ 2,475,504	\$ (7,072,968)	\$ 488,028	2.96%	\$ 2,965,532					
2016	Net Amount	19.20%	19.20%	15.50%	\$ 4,573,980	15.50%	\$ 4,573,980	\$ (3,946,703)	\$ (3,946,703)	\$ 1,381,346	\$ (3,946,703)	\$ 272,323		\$ 1,655,769					
2017	To Project:	\$ 7,965,000																	
2018																			
2019																			
2020																			
2021																			
2022																			
2023																			
2024																			
FED ITC - CASH GRANT		\$ 7,965,000																	
Tax Credit or Cash		\$ 7,965,000																	
			NPV																

*Note: Total of Tax Benefits and Credit Summary for Tax Equity Investor Consideration. State benefits (tax credits) need certain investor profiles to use the credits. Idaho ITC is limited to 50% of the current year tax liability and can be carried forward up to 14 years. Need to check for similar restrictions for Montana.

*Federal ITC is not included on Transmission Upgrade and System Assets but includes distribution systems. Distributed Community Projects typically find about 90%-97% of project costs qualify. If Federal ITC is used as a cashgrant, the total amount to depreciate is reduced by 15% as shown here. If THE FEDERAL ITC IS USED AS A TAX CREDIT INSTEAD OF CASH GRANT THE DEPRECIATION IS NOT REDUCED BY 15%!! (As shown on the next sheet for the PTC) This effect is especially important with the BONUS up front loading. This can move the Unleveraged return by almost 1.5% which depending on debt rate can move the leveraged return by about 5% IRR. The greater the gap between the Unleveraged Project Return and the debt rate - the greater the impact on returns from the effect of debt leverage.

*If Bonus Depreciation is used it is taken up front and then the regular schedule follows for the 6 Total Years. Certain assets like shops and roads do not qualify for 5 year MACRS Depreciation. Modeling typically assumes 95% of total Capital Cost qualifies for the 5 Year MACRS. That is very conservative. On a larger project that number may be 98% or more.

*NOTE: The Depreciation is calculated here and then used on the income statement to determine the NET OPERATING LOSSES (NOLs) from that sheet to then calculate the after tax cash value of the Federal and State Credits to be taken off of the particular year tax liability.

*Always check the model to make sure the appropriate state incentive options are modeled correctly and the appropriate state is chosen in each case.

11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines; Summary of Project Tax Benefits - PTC 10 Years - NO 15% Depreciation Reduction for ITC as Cash

		STATE DEPRECIATION						FEDERAL LOSSES						STATE LOSSES						CREDITS																	
		FEDERAL DEPRECIATION			NOL or Taxable Income			TEI			Loss			NOL or Taxable Income			TEI			NOL or Taxable Income			TEI			NOL or Taxable Income			TEI			NOL or Taxable Income			TEI		
		Eligible Costs		Reduction for ITC use		To P&L		Loss		TEI		Value		Loss		TEI		Value		Loss		TEI		Value		Loss		TEI		Value		Loss		TEI		Value	
Bonus	Std	With Bonus	Rate																																		
1	0%	20.00%	20.00%	19.00%	\$ 5,605,000			19.00%	\$ 5,605,000																												
2	32.00%	32.00%	32.00%	30.40%	\$ 9,968,000			30.40%	\$ 9,968,000																												
3	19.20%	19.20%	19.20%	18.24%	\$ 5,380,800			18.24%	\$ 5,380,800																												
4	11.52%	11.52%	11.52%	10.94%	\$ 3,228,480			10.94%	\$ 3,228,480																												
5	11.52%	11.52%	11.52%	10.94%	\$ 3,228,480			10.94%	\$ 3,228,480																												
6	5.76%	5.76%	5.76%	5.47%	\$ 1,614,240			5.47%	\$ 1,614,240																												
7																																					
8																																					
9																																					
10																																					
11	0%	100.0%	100.0%	95.20%	\$ 28,025,000																																

Total Project Depreciation Amounts

Year	Depreciation Year Federal Expenses	Federal MACRS Schedule	Depreciation Federal Bonuses	Federal Annual Depreciation %	Federal Annual Net Amount (%)	Federal Annual Depreciation Bonus	Federal Annual Net Amount (%)	Federal Annual Depreciation %	Federal Expenses %	Cross Annual Depreciation %	Federal Annual Net Amount (%)	Federal Expenses %	Cross Annual Depreciation %	Federal Expenses %	Cross Annual Depreciation %	Federal Expenses %	Cross Annual Depreciation %	Federal Expenses %	Cross Annual Depreciation %	Federal Expenses %	Cross Annual Depreciation %	Federal Expenses %	Cross Annual Depreciation %	Federal Expenses %	Cross Annual Depreciation %	Federal Expenses %	Cross Annual Depreciation %	Federal Expenses %	Cross Annual Depreciation %	Federal Expenses %	
1	\$ 24,391,190	\$ 24,391,190	\$ 5,636,916	\$ 24,391,190	95.00%	\$ 28,025,000	95.20%	100.00%	95.20%	95.00%	\$ 28,025,000	95.20%	100.00%	95.20%	95.00%	95.20%	100.00%	95.20%	95.00%	95.20%	95.00%	95.20%	100.00%	95.20%	95.00%	95.20%	100.00%	95.20%	95.00%	95.20%	100.00%

*Note: This sheet is a quick comparison of the effects of taking the ITC instead of the PTC - BUT ALSO THE NET EFFECT ON TAX CREDIT VALUE WITHOUT THE REDUCTIONS OF TAKING THE ITC AS CASH UP FRONT TO THE PROJECT.

If THE ITC IS TAKEN AS AN UP FRONT CASH PAYMENT THE ALLOWABLE DEPRECIATION IS REDUCED BY 15%. TAKING THE ITC AS A TRUE INVESTMENT TAX CREDIT IS FAR MORE VALUABLE WHEN YOU CONSIDER THE WRITEOFF VALUE OF THE EXTRA 15% OF DEPRECIATION - The Federal and State depreciation and NOL values as shown are applicable whether PTC or ITC is chosen - though this is not a true income statement calculation, rather an added value estimation on this sheet. Notice in particular the NPV of the Federal and State losses for a quick comparison to the previous sheet of taking the ITC as cash with the corresponding 15% reduction in allowable depreciation.

The greatest risk for the PTC model with normal business investors instead of the typical multi-national multi-billion dollar wind investors is the risk of reduced future tax liabilities that prevent full utilization of the credits. The larger investors have such a huge tax liability in proportion to the credits that there is theoretically no risk that the credits are under-utilized. Taking the ITC instead of the PTC and taking bonus depreciation on the Federal side creates a huge front end loading for the investor, but reduces the timing risk and moves the returns to a known quantifiable amount that is based on capital costs (Known quantity) instead of project generation and revenues (higher capacity factor projects produce more Production Tax Credits). Few companies that can take the PTC can use the state incentives. Thus, the PTC model usually results in the projects carrying forward STATE NOLs for 15-20 years instead of using those credits to offset other business current STATE Tax Liabilities.

Montana has a 3.5% state Investment Tax Credit (called Alternative Energy Production Credit AEPIC) but in every case the Property Tax Credit is worth far more since the AEPIC cannot be effectively used anyway and the investor is not allowed to use both.

11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines;

30 Year Annual Cash Flow Statement

Year	Project Gross & Net Earnings (KWhr)	Direct Energy Sales to Air Base	Export Energy Sales After Base	Est REC Sales Revenue	Total Revenues	Transmission, Interconnection Fees	Turbine and Project Insurance	Operation & Maintenance Expenses	Administrative Costs Electric Energy Taxes	General Administrative Expenses	Loan Payment	Net Operating Cash Flow	Contract Year
2014	5,128,333	\$ 269,784	\$ 46,453	\$ 30,770	\$ 347,007			\$ (21,600)	\$ (50,000)	\$ (9,640)	\$ (769)	\$ (211,347)	\$ (293,357)
2015	30,685,928	\$ 1,654,635	\$ 284,908	\$ 188,718	\$ 2,128,262			\$ (132,840)	\$ (300,000)	\$ (45,333)	\$ (4,603)	\$ (225,215)	\$ (1,268,083)
2016	30,685,928	\$ 1,696,001	\$ 292,031	\$ 193,426	\$ 2,184,486			\$ (136,161)	\$ (307,500)	\$ (46,466)	\$ (4,603)	\$ (213,954)	\$ (1,976,073)
2017	30,685,928	\$ 1,738,401	\$ 289,331	\$ 188,272	\$ 2,236,005			\$ (139,565)	\$ (315,188)	\$ (47,628)	\$ (4,603)	\$ (202,633)	\$ (1,268,083)
2018	30,685,928	\$ 1,781,861	\$ 306,815	\$ 203,229	\$ 2,291,905			\$ (143,054)	\$ (323,067)	\$ (48,818)	\$ (4,603)	\$ (191,433)	\$ (1,977,759)
2019	30,685,928	\$ 1,826,408	\$ 314,485	\$ 208,408	\$ 2,349,203			\$ (146,631)	\$ (331,144)	\$ (50,039)	\$ (4,603)	\$ (180,172)	\$ (1,979,059)
2020	30,685,928	\$ 1,872,068	\$ 322,347	\$ 213,518	\$ 2,407,933			\$ (150,296)	\$ (339,172)	\$ (51,290)	\$ (4,603)	\$ (180,671)	\$ (312,847)
2021	30,685,928	\$ 1,918,870	\$ 330,406	\$ 218,856	\$ 2,468,131			\$ (154,084)	\$ (339,427)	\$ (52,572)	\$ (4,603)	\$ (180,693)	\$ (338,532)
2022	30,685,928	\$ 1,966,842	\$ 338,666	\$ 224,327	\$ 2,529,835			\$ (157,905)	\$ (408,912)	\$ (53,886)	\$ (4,603)	\$ (220,711)	\$ (340,795)
2023	30,685,928	\$ 2,016,013	\$ 345,133	\$ 230,081	\$ 2,589,005			\$ (161,883)	\$ (438,635)	\$ (55,234)	\$ (4,603)	\$ (224,223)	\$ (349,682)
2024	30,685,928	\$ 2,066,413	\$ 345,811	\$ 235,683	\$ 2,657,908			\$ (165,889)	\$ (478,601)	\$ (56,614)	\$ (4,603)	\$ (224,083)	\$ (349,449)
2025	30,685,928	\$ 2,118,073	\$ 364,706	\$ 402,626	\$ 2,855,406			\$ (170,046)	\$ (489,566)	\$ (61,251)	\$ (4,603)	\$ (225,215)	\$ (349,216)
2026	30,685,928	\$ 2,171,025	\$ 373,824	\$ 412,692	\$ 2,957,541			\$ (174,288)	\$ (500,805)	\$ (62,782)	\$ (4,603)	\$ (220,633)	\$ (349,083)
2027	30,685,928	\$ 2,235,301	\$ 383,170	\$ 423,009	\$ 3,054,179			\$ (178,655)	\$ (512,029)	\$ (64,392)	\$ (4,603)	\$ (220,172)	\$ (348,850)
2028	30,685,928	\$ 2,280,933	\$ 392,749	\$ 433,584	\$ 3,107,266			\$ (183,121)	\$ (524,134)	\$ (65,980)	\$ (4,603)	\$ (157,650)	\$ (203,552)
2029	30,685,928	\$ 2,337,957	\$ 402,568	\$ 444,424	\$ 3,184,948			\$ (187,699)	\$ (536,237)	\$ (67,609)	\$ (4,603)	\$ (135,129)	\$ (219,360)
2030	30,685,928	\$ 2,386,406	\$ 412,632	\$ 455,532	\$ 3,264,572			\$ (192,322)	\$ (548,643)	\$ (69,300)	\$ (4,603)	\$ (112,607)	\$ (219,628)
2031	30,685,928	\$ 2,446,316	\$ 422,948	\$ 466,923	\$ 3,346,186			\$ (197,202)	\$ (561,359)	\$ (71,092)	\$ (4,603)	\$ (90,086)	\$ (218,365)
2032	30,685,928	\$ 2,517,724	\$ 433,521	\$ 478,596	\$ 3,429,841			\$ (202,132)	\$ (574,393)	\$ (72,808)	\$ (4,603)	\$ (90,086)	\$ (212,104)
2033	30,685,928	\$ 2,580,667	\$ 444,359	\$ 490,561	\$ 3,515,587			\$ (207,185)	\$ (587,753)	\$ (74,628)	\$ (4,603)	\$ (90,086)	\$ (212,338)
2034	30,685,928	\$ 2,645,183	\$ 455,468	\$ 502,825	\$ 3,603,476			\$ (212,365)	\$ (621,447)	\$ (76,494)	\$ (4,603)	\$ (90,086)	\$ (1,056,736)
2035	30,685,928	\$ 2,711,313	\$ 466,855	\$ 515,395	\$ 3,693,563			\$ (217,674)	\$ (636,983)	\$ (78,406)	\$ (4,718)	\$ (90,086)	\$ (1,027,867)
2036	30,685,928	\$ 2,779,096	\$ 478,526	\$ 528,280	\$ 3,785,902			\$ (223,116)	\$ (652,907)	\$ (80,366)	\$ (4,836)	\$ (90,086)	\$ (1,051,311)
2037	30,685,928	\$ 2,848,573	\$ 490,489	\$ 541,487	\$ 3,880,550			\$ (228,694)	\$ (669,230)	\$ (82,375)	\$ (4,957)	\$ (90,086)	\$ (1,075,342)
2038	30,685,928	\$ 2,919,787	\$ 502,782	\$ 555,024	\$ 3,977,563			\$ (233,411)	\$ (684,435)	\$ (84,435)	\$ (5,081)	\$ (90,086)	\$ (1,098,973)
2039	30,685,928	\$ 2,982,782	\$ 515,320	\$ 568,900	\$ 4,077,003			\$ (240,271)	\$ (703,110)	\$ (86,546)	\$ (5,208)	\$ (90,086)	\$ (1,125,220)
2040	30,685,928	\$ 3,057,602	\$ 528,204	\$ 553,122	\$ 4,178,928			\$ (246,278)	\$ (720,687)	\$ (85,709)	\$ (5,338)	\$ (90,086)	\$ (1,151,099)
2041	30,685,928	\$ 3,144,292	\$ 541,409	\$ 587,701	\$ 4,283,401			\$ (252,435)	\$ (738,705)	\$ (90,927)	\$ (5,471)	\$ (90,086)	\$ (1,177,624)
2042	30,685,928	\$ 3,144,292	\$ 541,409	\$ 612,643	\$ 4,296,343			\$ (258,746)	\$ (757,172)	\$ (93,200)	\$ (5,608)	\$ (90,086)	\$ (1,204,812)
2043	30,685,928	\$ 3,144,292	\$ 541,409	\$ 627,959	\$ 4,313,659			\$ (265,214)	\$ (776,102)	\$ (95,530)	\$ (5,748)	\$ (90,086)	\$ (1,232,681)
Totals	895,020,254	69,288,908	11,930,703	11,786,399	93,005,950			-\$ (5,581,780)	(15,570,164)	(1,984,231)	\$ (3,080,979)	\$ (3,080,979)	40,021,668
													\$ (52,984,283)

11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines;

30 Year Profit & Loss Statement

Year	Energy Sales		RECs Sales, ETO PMs, Other Revenue		TOTAL Revenues		Transmission, Interconnection Fees		Turbine and Project Maintenance		Operation & Administration Expenses		General Administrative Costs		Electric Energy Production Taxes		Property Taxes		Loan Interest Payments		TOTAL Expenses		Net Income	
2014	\$ 269,784	\$ 77,223	\$ 347,007	\$ -	\$ (21,600)	\$ (50,000)	\$ (9,640)	\$ -	\$ (769)	\$ -	\$ (225,215)	\$ -	\$ (147,340)	\$ (228,350)	\$ 117,657	\$ -	\$ 549,932	\$ (1,578,330)	\$ -	\$ (1,578,330)	\$ -	\$ 117,657		
2015	\$ 1,654,635	\$ 473,840	\$ 2,128,282	\$ -	\$ (132,840)	\$ (300,000)	\$ (45,333)	\$ -	\$ (4,603)	\$ -	\$ (213,954)	\$ -	\$ (84,808)	\$ (1,554,492)	\$ 626,977	\$ -	\$ (1,529,439)	\$ (1,529,439)	\$ -	\$ 706,566	\$ -	\$ -		
2016	\$ 1,696,001	\$ 485,467	\$ 2,181,468	\$ -	\$ (136,161)	\$ (307,500)	\$ (46,466)	\$ -	\$ (4,603)	\$ -	\$ (202,693)	\$ (819,653)	\$ -	\$ (1,503,172)	\$ (792,112)	\$ -	\$ 788,819	\$ -	\$ (1,503,387)	\$ (1,503,387)	\$ -			
2017	\$ 1,738,401	\$ 497,604	\$ 2,236,005	\$ -	\$ (139,565)	\$ (315,185)	\$ (47,626)	\$ -	\$ (4,603)	\$ -	\$ (180,172)	\$ (762,755)	\$ -	\$ (1,505,343)	\$ (762,755)	\$ -	\$ 843,860	\$ -	\$ (1,530,642)	\$ (1,530,642)	\$ -			
2018	\$ 1,781,361	\$ 510,044	\$ 2,281,905	\$ -	\$ (146,631)	\$ (361,144)	\$ (50,039)	\$ -	\$ (4,603)	\$ -	\$ (202,693)	\$ (731,587)	\$ -	\$ (1,528,363)	\$ (731,587)	\$ -	\$ 877,291	\$ -	\$ (1,529,363)	\$ (1,529,363)	\$ -			
2019	\$ 1,828,408	\$ 522,795	\$ 2,349,203	\$ -	\$ (150,296)	\$ (390,172)	\$ (51,290)	\$ -	\$ (4,603)	\$ -	\$ (220,711)	\$ (693,397)	\$ -	\$ 938,268	\$ -	\$ (1,529,363)	\$ (1,529,363)	\$ -	\$ 938,268	\$ -	\$ -			
2020	\$ 1,872,063	\$ 535,865	\$ 2,407,933	\$ -	\$ (154,054)	\$ (399,227)	\$ (52,572)	\$ -	\$ (4,603)	\$ -	\$ (234,223)	\$ (663,366)	\$ -	\$ 1,006,897	\$ (1,522,897)	\$ -	\$ 1,006,897	\$ -	\$ (1,522,897)	\$ (1,522,897)	\$ -			
2021	\$ 1,918,870	\$ 549,261	\$ 2,468,131	\$ -	\$ (157,905)	\$ (408,912)	\$ (53,886)	\$ -	\$ (4,603)	\$ -	\$ (243,232)	\$ (626,069)	\$ -	\$ 1,063,455	\$ (1,529,625)	\$ -	\$ 1,063,455	\$ -	\$ (1,529,625)	\$ (1,529,625)	\$ -			
2022	\$ 1,966,842	\$ 562,983	\$ 2,529,835	\$ -	\$ (161,853)	\$ (438,635)	\$ (55,234)	\$ -	\$ (4,603)	\$ -	\$ (247,736)	\$ (586,471)	\$ -	\$ 1,117,983	\$ (1,539,324)	\$ -	\$ 1,117,983	\$ -	\$ (1,539,324)	\$ (1,539,324)	\$ -			
2023	\$ 2,016,013	\$ 577,068	\$ 2,583,081	\$ -	\$ (165,899)	\$ (478,601)	\$ (56,614)	\$ -	\$ (4,603)	\$ -	\$ (225,215)	\$ (544,430)	\$ -	\$ 1,139,294	\$ (1,495,111)	\$ -	\$ 1,139,294	\$ -	\$ (1,495,111)	\$ (1,495,111)	\$ -			
2024	\$ 2,068,413	\$ 591,495	\$ 2,637,908	\$ -	\$ (170,046)	\$ (489,666)	\$ (61,251)	\$ -	\$ (4,603)	\$ -	\$ (202,693)	\$ (499,797)	\$ -	\$ 1,512,562	\$ (1,444,978)	\$ -	\$ 1,512,562	\$ -	\$ (1,444,978)	\$ (1,444,978)	\$ -			
2025	\$ 2,118,073	\$ 767,332	\$ 2,885,406	\$ -	\$ (174,298)	\$ (500,805)	\$ (62,782)	\$ -	\$ (4,603)	\$ -	\$ (180,172)	\$ (452,211)	\$ -	\$ 1,638,362	\$ (1,392,518)	\$ -	\$ 1,638,362	\$ -	\$ (1,392,518)	\$ (1,392,518)	\$ -			
2026	\$ 2,171,025	\$ 786,516	\$ 2,957,541	\$ -	\$ (178,655)	\$ (512,325)	\$ (64,352)	\$ -	\$ (4,603)	\$ -	\$ (157,650)	\$ (402,102)	\$ -	\$ 1,769,696	\$ (1,337,571)	\$ -	\$ 1,769,696	\$ -	\$ (1,337,571)	\$ (1,337,571)	\$ -			
2027	\$ 2,225,301	\$ 806,178	\$ 3,031,479	\$ -	\$ (183,121)	\$ (524,134)	\$ (65,960)	\$ -	\$ (4,603)	\$ -	\$ (156,129)	\$ (348,690)	\$ -	\$ 1,904,980	\$ (1,279,968)	\$ -	\$ 1,904,980	\$ -	\$ (1,279,968)	\$ (1,279,968)	\$ -			
2028	\$ 2,280,933	\$ 826,333	\$ 3,107,286	\$ -	\$ (187,699)	\$ (536,237)	\$ (67,609)	\$ -	\$ (4,603)	\$ -	\$ (160,607)	\$ (291,584)	\$ -	\$ 2,045,043	\$ (1,156,062)	\$ -	\$ 2,045,043	\$ -	\$ (1,156,062)	\$ (1,156,062)	\$ -			
2029	\$ 2,337,957	\$ 846,991	\$ 3,184,948	\$ -	\$ (192,392)	\$ (548,433)	\$ (69,300)	\$ -	\$ (4,603)	\$ -	\$ (231,022)	\$ (231,022)	\$ -	\$ 2,190,124	\$ (1,111,885)	\$ -	\$ 2,190,124	\$ -	\$ (1,111,885)	\$ (1,111,885)	\$ -			
2030	\$ 2,396,406	\$ 863,166	\$ 3,264,572	\$ -	\$ (197,202)	\$ (561,359)	\$ (71,032)	\$ -	\$ (4,603)	\$ -	\$ (200,086)	\$ (167,864)	\$ -	\$ 2,317,956	\$ (1,064,259)	\$ -	\$ 2,317,956	\$ -	\$ (1,064,259)	\$ (1,064,259)	\$ -			
2031	\$ 2,456,316	\$ 889,870	\$ 3,346,186	\$ -	\$ (202,132)	\$ (574,393)	\$ (72,808)	\$ -	\$ (4,603)	\$ -	\$ (180,086)	\$ (90,086)	\$ -	\$ 2,451,327	\$ (1,000,055)	\$ -	\$ 2,451,327	\$ -	\$ (1,000,055)	\$ (1,000,055)	\$ -			
2032	\$ 2,517,724	\$ 912,117	\$ 3,429,841	\$ -	\$ (207,185)	\$ (587,753)	\$ (74,623)	\$ -	\$ (4,603)	\$ -	\$ (160,086)	\$ (90,086)	\$ -	\$ 2,568,994	\$ (1,033,482)	\$ -	\$ 2,568,994	\$ -	\$ (1,033,482)	\$ (1,033,482)	\$ -			
2033	\$ 2,580,667	\$ 934,920	\$ 3,515,587	\$ -	\$ (212,365)	\$ (621,447)	\$ (76,494)	\$ -	\$ (4,603)	\$ -	\$ (140,086)	\$ (28,488)	\$ -	\$ 2,665,997	\$ (1,027,867)	\$ -	\$ 2,665,997	\$ -	\$ (1,027,867)	\$ (1,027,867)	\$ -			
2034	\$ 2,644,183	\$ 958,293	\$ 3,603,476	\$ -	\$ (217,313)	\$ (663,563)	\$ (78,406)	\$ -	\$ (4,603)	\$ -	\$ (120,086)	\$ (90,086)	\$ -	\$ 2,734,591	\$ (1,051,311)	\$ -	\$ 2,734,591	\$ -	\$ (1,051,311)	\$ (1,051,311)	\$ -			
2035	\$ 2,711,313	\$ 982,250	\$ 3,693,563	\$ -	\$ (223,116)	\$ (652,907)	\$ (80,366)	\$ -	\$ (4,603)	\$ -	\$ (100,086)	\$ (90,086)	\$ -	\$ 2,805,208	\$ (1,075,342)	\$ -	\$ 2,805,208	\$ -	\$ (1,075,342)	\$ (1,075,342)	\$ -			
2036	\$ 2,779,096	\$ 1,006,806	\$ 3,785,902	\$ -	\$ (228,694)	\$ (669,230)	\$ (82,375)	\$ -	\$ (4,603)	\$ -	\$ (80,086)	\$ (90,086)	\$ -	\$ 2,877,590	\$ (1,098,973)	\$ -	\$ 2,877,590	\$ -	\$ (1,098,973)	\$ (1,098,973)	\$ -			
2037	\$ 2,848,573	\$ 1,031,977	\$ 3,880,550	\$ -	\$ 3,977,563	\$ 1,057,776	\$ (84,435)	\$ (5,081)	\$ (4,603)	\$ -	\$ (60,086)	\$ (5,208)	\$ -	\$ 2,951,782	\$ (1,125,220)	\$ -	\$ 2,951,782	\$ -	\$ (1,125,220)	\$ (1,125,220)	\$ -			
2038	\$ 2,919,577	\$ 1,064,220	\$ 3,984,282	\$ 1,084,220	\$ 4,077,003	\$ -	\$ (703,110)	\$ -	\$ (4,603)	\$ -	\$ (60,086)	\$ (5,208)	\$ -	\$ 3,027,829	\$ (1,151,099)	\$ -	\$ 3,027,829	\$ -	\$ (1,151,099)	\$ (1,151,099)	\$ -			
2039	\$ 2,992,782	\$ 1,139,109	\$ 4,178,928	\$ 1,111,326	\$ 4,283,401	\$ -	\$ (246,278)	\$ (720,687)	\$ (88,709)	\$ (5,338)	\$ (60,086)	\$ (5,471)	\$ -	\$ 1,177,624	\$ (1,204,812)	\$ -	\$ 1,177,624	\$ -	\$ (1,204,812)	\$ (1,204,812)	\$ -			
2040	\$ 3,067,602	\$ 1,154,052	\$ 4,298,343	\$ 1,144,292	\$ 4,313,659	\$ -	\$ (258,435)	\$ (738,705)	\$ (90,927)	\$ (5,748)	\$ (60,086)	\$ (5,748)	\$ -	\$ 3,093,531	\$ (1,232,681)	\$ -	\$ 3,093,531	\$ -	\$ (1,232,681)	\$ (1,232,681)	\$ -			
2041	\$ 3,144,292	\$ 1,169,388	\$ 4,313,659	\$ -	\$ (265,214)	\$ (776,102)	\$ (95,530)	\$ (5,748)	\$ (60,086)	\$ (5,748)	\$ (60,086)	\$ (5,748)	\$ -	\$ 3,080,979	\$ (1,232,681)	\$ -	\$ 3,080,979	\$ -	\$ (1,232,681)	\$ (1,232,681)	\$ -			



11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines; Federal and State Tax Liabilities - FULL NOL USE EACH YEAR

Year	State Tax Payable (Credit)	State ITC	Taxable Income (Loss)	State Depreciation	Federal Expenses	Federal Tax Credit (Credit)	State Tax Expenses Paid	Federal Tax Credit for Prepaid Income	Taxable Federal Loss	Depreciation Expenses
1	\$ (320,615)	\$ (4,646,593)	\$ (1,626,307)	\$ (4,764,250)	\$ (4,646,593)	\$ (4,764,250)	\$ (320,615)	\$ (320,615)	\$ (4,646,593)	\$ (7,622,800)
2	\$ (488,028)	\$ (7,072,868)	\$ (2,475,504)	\$ (7,622,800)	\$ (7,072,868)	\$ (7,622,800)	\$ (488,028)	\$ (488,028)	\$ (7,072,868)	\$ (7,622,800)
3	\$ (272,329)	\$ (3,946,703)	\$ (1,381,346)	\$ (4,753,680)	\$ (3,946,703)	\$ (4,753,680)	\$ (272,329)	\$ (272,329)	\$ (3,946,703)	\$ (4,753,680)
4	\$ (140,597)	\$ (2,037,642)	\$ (713,175)	\$ (2,744,206)	\$ (2,037,642)	\$ (2,744,206)	\$ (140,597)	\$ (140,597)	\$ (2,037,642)	\$ (2,744,206)
5	\$ (134,922)	\$ (2,744,206)	\$ (1,955,389)	\$ (684,386)	\$ (2,744,206)	\$ (2,744,206)	\$ (134,922)	\$ (134,922)	\$ (1,955,389)	\$ (684,386)
6	\$ (36,449)	\$ (628,244)	\$ (184,885)	\$ (1,372,104)	\$ (628,244)	\$ (1,372,104)	\$ (36,449)	\$ (36,449)	\$ (628,244)	\$ (1,372,104)
7	\$ (60,533)	\$ (877,291)	\$ (307,052)	\$ (877,291)	\$ (877,291)	\$ (877,291)	\$ (60,533)	\$ (60,533)	\$ (877,291)	\$ (877,291)
8	\$ (64,744)	\$ (938,268)	\$ (307,207)	\$ (938,268)	\$ (938,268)	\$ (938,268)	\$ (64,744)	\$ (64,744)	\$ (938,268)	\$ (938,268)
9	\$ (69,479)	\$ (1,006,338)	\$ (942,198)	\$ (329,769)	\$ (1,006,338)	\$ (1,006,338)	\$ (69,479)	\$ (69,479)	\$ (942,198)	\$ (329,769)
10	\$ (73,376)	\$ (1,063,455)	\$ (993,977)	\$ (347,892)	\$ (1,063,455)	\$ (1,063,455)	\$ (73,376)	\$ (73,376)	\$ (993,977)	\$ (347,892)
11	\$ (77,141)	\$ (1,117,383)	\$ (1,044,605)	\$ (365,1612)	\$ (1,117,383)	\$ (1,117,383)	\$ (77,141)	\$ (77,141)	\$ (1,044,605)	\$ (365,1612)
12	\$ (95,930)	\$ (1,390,294)	\$ (1,313,153)	\$ (459,604)	\$ (1,390,294)	\$ (1,390,294)	\$ (95,930)	\$ (95,930)	\$ (1,313,153)	\$ (459,604)
13	\$ (104,367)	\$ (1,512,562)	\$ (1,416,632)	\$ (495,821)	\$ (1,512,562)	\$ (1,512,562)	\$ (104,367)	\$ (104,367)	\$ (1,416,632)	\$ (495,821)
14	\$ (113,088)	\$ (1,638,362)	\$ (1,534,595)	\$ (531,108)	\$ (1,638,362)	\$ (1,638,362)	\$ (113,088)	\$ (113,088)	\$ (1,534,595)	\$ (531,108)
15	\$ (122,109)	\$ (1,769,696)	\$ (1,656,607)	\$ (579,813)	\$ (1,769,696)	\$ (1,769,696)	\$ (122,109)	\$ (122,109)	\$ (1,656,607)	\$ (579,813)
16	\$ (131,444)	\$ (1,904,380)	\$ (1,782,871)	\$ (624,006)	\$ (1,904,380)	\$ (1,904,380)	\$ (131,444)	\$ (131,444)	\$ (1,782,871)	\$ (624,006)
17	\$ (141,104)	\$ (2,045,043)	\$ (1,973,599)	\$ (669,760)	\$ (2,045,043)	\$ (2,045,043)	\$ (141,104)	\$ (141,104)	\$ (1,973,599)	\$ (669,760)
18	\$ (151,119)	\$ (2,190,124)	\$ (2,049,016)	\$ (717,156)	\$ (2,190,124)	\$ (2,190,124)	\$ (151,119)	\$ (151,119)	\$ (2,049,016)	\$ (717,156)
19	\$ (159,936)	\$ (2,317,556)	\$ (2,166,837)	\$ (758,393)	\$ (2,317,556)	\$ (2,317,556)	\$ (159,936)	\$ (159,936)	\$ (2,166,837)	\$ (758,393)
20	\$ (169,142)	\$ (2,451,327)	\$ (2,291,388)	\$ (801,986)	\$ (2,451,327)	\$ (2,451,327)	\$ (169,142)	\$ (169,142)	\$ (2,291,388)	\$ (801,986)
21	\$ (177,330)	\$ (2,569,994)	\$ (2,400,852)	\$ (840,298)	\$ (2,569,994)	\$ (2,569,994)	\$ (177,330)	\$ (177,330)	\$ (2,400,852)	\$ (840,298)
22	\$ (183,935)	\$ (2,665,597)	\$ (2,488,367)	\$ (870,928)	\$ (2,665,597)	\$ (2,665,597)	\$ (183,935)	\$ (183,935)	\$ (2,488,367)	\$ (870,928)
23	\$ (188,687)	\$ (2,734,391)	\$ (2,550,653)	\$ (892,730)	\$ (2,734,391)	\$ (2,734,391)	\$ (188,687)	\$ (188,687)	\$ (2,550,653)	\$ (892,730)
24	\$ (193,559)	\$ (2,805,208)	\$ (2,616,521)	\$ (915,782)	\$ (2,805,208)	\$ (2,805,208)	\$ (193,559)	\$ (193,559)	\$ (2,616,521)	\$ (915,782)
25	\$ (198,554)	\$ (2,877,590)	\$ (2,684,031)	\$ (939,411)	\$ (2,877,590)	\$ (2,877,590)	\$ (198,554)	\$ (198,554)	\$ (2,684,031)	\$ (939,411)
26	\$ (203,673)	\$ (2,951,782)	\$ (2,753,229)	\$ (963,630)	\$ (2,951,782)	\$ (2,951,782)	\$ (203,673)	\$ (203,673)	\$ (2,753,229)	\$ (963,630)
27	\$ (208,920)	\$ (3,027,329)	\$ (2,824,156)	\$ (988,455)	\$ (3,027,329)	\$ (3,027,329)	\$ (208,920)	\$ (208,920)	\$ (2,824,156)	\$ (988,455)
28	\$ (214,299)	\$ (3,105,777)	\$ (2,896,857)	\$ (1,013,900)	\$ (3,105,777)	\$ (3,105,777)	\$ (214,299)	\$ (214,299)	\$ (2,896,857)	\$ (1,013,900)
29	\$ (213,454)	\$ (3,093,531)	\$ (2,879,532)	\$ (1,007,731)	\$ (3,093,531)	\$ (3,093,531)	\$ (213,454)	\$ (213,454)	\$ (2,879,532)	\$ (1,007,731)
30	\$ (212,588)	\$ (3,080,979)	\$ (2,867,525)	\$ (1,003,634)	\$ (3,080,979)	\$ (3,080,979)	\$ (212,588)	\$ (212,588)	\$ (2,867,525)	\$ (1,003,634)

BASE CASE: Must Assume Tax Equity Investor has appropriate Federal and State Tax liabilities from other business activities and can carry the Net Operating Losses from the FEDERAL AND STATE calculations to offset other tax liabilities on a 1:1 basis so the net effect of such a TAX LOSS CARRY to the appropriate investor is as if the Tax Credit is CASH. Taking the ITC as Cash allows a medium sized business to be the wind investor. It becomes more difficult even to find an IN-STATE investor to use the couple million \$ of state tax credits that can offset other state liabilities. Note the Federal and State credits can be carried forward to future years, but their value diminishes so the investor needs to use them as they are created.

11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines; Federal and State Tax Liabilities - STATE NOL CARRYOVER IN PROJECT

Year	State Tax Payable (Credit)		State Tax Excess Credit		State Tax Credit Carried Forward		State Tax Payable (Credit)		State Tax Excess Credit		State Tax Credit Carried Forward	
	State Tax Payable (Loss)	State Expense	State Tax Payable (Credit)	State Expense	State Tax Payable (Loss)	State Expense	State Tax Payable (Credit)	State Expense	State Tax Payable (Loss)	State Expense	State Tax Payable (Credit)	State Expense
1	\$ (4,764,250)	\$ (4,646,593)	\$ (4,646,593)	\$ (1,626,307)	\$ (4,764,250)	\$ (4,646,593)	\$ -	\$ -	\$ (320,615)	\$ (320,615)	\$ (320,615)	\$ (320,615)
2	\$ (7,072,880)	\$ (2,475,504)	\$ (7,072,880)	\$ (7,072,880)	\$ (7,072,880)	\$ (7,072,880)	\$ -	\$ (488,028)	\$ (808,643)	\$ (488,028)	\$ (808,643)	\$ (488,028)
3	\$ (4,573,680)	\$ (3,946,703)	\$ (3,946,703)	\$ (1,381,346)	\$ (4,573,680)	\$ (3,946,703)	\$ -	\$ (272,323)	\$ (1,080,965)	\$ (272,323)	\$ (1,080,965)	\$ (1,080,965)
4	\$ (2,744,208)	\$ (2,037,642)	\$ (2,037,642)	\$ (713,175)	\$ (2,744,208)	\$ (2,037,642)	\$ -	\$ (140,597)	\$ (1,221,563)	\$ (140,597)	\$ (1,221,563)	\$ (1,221,563)
5	\$ (1,955,399)	\$ (1,955,399)	\$ (684,386)	\$ (1,955,399)	\$ (684,386)	\$ (1,955,399)	\$ -	\$ (135,485)	\$ (1,356,485)	\$ (135,485)	\$ (1,356,485)	\$ (1,356,485)
6	\$ (2,744,208)	\$ (528,244)	\$ (528,244)	\$ (184,885)	\$ (2,744,208)	\$ (528,244)	\$ -	\$ (36,449)	\$ (1,392,933)	\$ (36,449)	\$ (1,392,933)	\$ (1,392,933)
7	\$ (1,372,104)	\$ 877,291	\$ 877,291	\$ 307,052	\$ (1,372,104)	\$ 877,291	\$ -	\$ 60,533	\$ (1,332,400)	\$ 60,533	\$ (1,332,400)	\$ (1,332,400)
8	\$ 938,288	\$ 938,288	\$ 938,288	\$ 328,394	\$ 938,288	\$ 938,288	\$ -	\$ 64,741	\$ (1,267,860)	\$ 64,741	\$ (1,267,860)	\$ (1,267,860)
9	\$ 1,006,938	\$ 1,006,938	\$ 1,006,938	\$ 352,428	\$ 1,006,938	\$ 1,006,938	\$ -	\$ 69,479	\$ (119,818)	\$ 69,479	\$ (119,818)	\$ (119,818)
10	\$ 1,053,455	\$ 1,063,455	\$ 1,063,455	\$ 372,209	\$ 1,063,455	\$ 1,063,455	\$ -	\$ 73,378	\$ (112,903)	\$ 73,378	\$ (112,903)	\$ (112,903)
11	\$ 1,117,933	\$ 1,117,933	\$ 1,117,933	\$ 391,294	\$ 1,117,933	\$ 1,117,933	\$ -	\$ 77,141	\$ (104,862)	\$ 77,141	\$ (104,862)	\$ (104,862)
12	\$ 1,330,294	\$ 1,390,294	\$ 1,390,294	\$ 486,903	\$ 1,330,294	\$ 1,330,294	\$ -	\$ 95,930	\$ (95,173)	\$ 95,930	\$ (95,173)	\$ (95,173)
13	\$ 1,512,562	\$ 1,612,562	\$ 1,612,562	\$ 529,397	\$ 1,512,562	\$ 1,512,562	\$ -	\$ 104,367	\$ (84,365)	\$ 104,367	\$ (84,365)	\$ (84,365)
14	\$ 1,638,962	\$ 1,638,962	\$ 1,638,962	\$ 573,637	\$ 1,638,962	\$ 1,638,962	\$ -	\$ 113,088	\$ (73,276)	\$ 113,088	\$ (73,276)	\$ (73,276)
15	\$ 1,759,696	\$ 1,769,696	\$ 1,769,696	\$ 619,393	\$ 1,759,696	\$ 1,759,696	\$ -	\$ 122,109	\$ (612,167)	\$ 122,109	\$ (612,167)	\$ (612,167)
16	\$ 1,904,980	\$ 1,904,980	\$ 1,904,980	\$ 666,743	\$ 1,904,980	\$ 1,904,980	\$ -	\$ 131,444	\$ (480,724)	\$ 131,444	\$ (480,724)	\$ (480,724)
17	\$ 2,045,043	\$ 2,045,043	\$ 2,045,043	\$ 715,765	\$ 2,045,043	\$ 2,045,043	\$ -	\$ 141,108	\$ (39,616)	\$ 141,108	\$ (39,616)	\$ (39,616)
18	\$ 2,150,124	\$ 2,190,124	\$ 2,190,124	\$ 766,543	\$ 2,150,124	\$ 2,150,124	\$ -	\$ 151,119	\$ (188,497)	\$ 151,119	\$ (188,497)	\$ (188,497)
19	\$ 2,317,966	\$ 2,317,966	\$ 2,317,966	\$ 811,128	\$ 2,317,966	\$ 2,317,966	\$ -	\$ 159,939	\$ (28,558)	\$ 159,939	\$ (28,558)	\$ (28,558)
20	\$ 2,451,327	\$ 2,451,327	\$ 2,451,327	\$ 857,965	\$ 2,451,327	\$ 2,451,327	\$ -	\$ 169,142	\$ (140,583)	\$ 169,142	\$ (140,583)	\$ (140,583)
21	\$ 2,569,994	\$ 2,429,411	\$ 2,429,411	\$ 850,294	\$ 2,569,994	\$ 2,569,994	\$ -	\$ 177,330	\$ (203,673)	\$ 177,330	\$ (203,673)	\$ (203,673)
22	\$ 2,665,697	\$ 2,488,367	\$ 2,488,367	\$ 870,928	\$ 2,665,697	\$ 2,665,697	\$ -	\$ 183,983	\$ (208,920)	\$ 183,983	\$ (208,920)	\$ (208,920)
23	\$ 2,734,591	\$ 2,550,558	\$ 2,550,558	\$ 892,730	\$ 2,734,591	\$ 2,734,591	\$ -	\$ 188,587	\$ (214,299)	\$ 188,587	\$ (214,299)	\$ (214,299)
24	\$ 2,805,208	\$ 2,616,521	\$ 2,616,521	\$ 915,782	\$ 2,805,208	\$ 2,805,208	\$ -	\$ 193,559	\$ (214,299)	\$ 193,559	\$ (214,299)	\$ (214,299)
25	\$ 2,877,590	\$ 2,684,031	\$ 2,684,031	\$ 939,411	\$ 2,877,590	\$ 2,877,590	\$ -	\$ 198,554	\$ (214,299)	\$ 198,554	\$ (214,299)	\$ (214,299)
26	\$ 2,951,792	\$ 2,753,229	\$ 2,753,229	\$ 963,630	\$ 2,951,792	\$ 2,951,792	\$ -	\$ 203,673	\$ (214,299)	\$ 203,673	\$ (214,299)	\$ (214,299)
27	\$ 3,027,839	\$ 2,824,156	\$ 2,824,156	\$ 988,455	\$ 3,027,839	\$ 3,027,839	\$ -	\$ 208,920	\$ (214,299)	\$ 208,920	\$ (214,299)	\$ (214,299)
28	\$ 3,105,777	\$ 2,896,857	\$ 2,896,857	\$ 1,013,900	\$ 3,105,777	\$ 3,105,777	\$ -	\$ 214,299	\$ (214,299)	\$ 214,299	\$ (214,299)	\$ (214,299)
29	\$ 3,093,551	\$ 2,879,232	\$ 2,879,232	\$ 1,007,731	\$ 3,093,551	\$ 3,093,551	\$ -	\$ 213,454	\$ (214,299)	\$ 213,454	\$ (214,299)	\$ (214,299)
30	\$ 3,080,979	\$ 2,867,525	\$ 2,867,525	\$ 1,003,634	\$ 3,080,979	\$ 3,080,979	\$ -	\$ 212,588	\$ (214,299)	\$ 212,588	\$ (214,299)	\$ (214,299)

Typical Wind Investment: NO STATE CREDIT CARRY - USED INTERNALLY BY PROJECT AND CARRIED FORWARD: This scenario results in a very inefficient use of the state credits and could result in over 15-20 years of operation before the State Tax Credits are fully used. It is doubtful that they could ultimately be fully utilized before expiring. With very large projects this is too problematic to find a local investment company. For community projects it is crucial to the business model and creates far greater local value besides the financial benefits themselves by keeping the profits local and increasing the local economy. Often the case is that State Credits get carried forward up to 20 years before the project can use them totally to offset the projects state tax liabilities.

11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines; Federal and State Tax ITC as CREDIT -NOT CASH - FULL NOL USE

	Federal EXPENSES	FEDERAL Income	Federal Credit for Prev Period	Federal ITC	Federal Tax Payable	State EXPENSES	State Income	State Tax Payable	State ITC	State Tax Payable Credit	Year
Depreciation Expenses	\$ 5,605,000	\$ (5,487,343)	\$ (5,487,343)	\$ (7,965,000)	\$ (9,885,570)	\$ (5,605,000)	\$ (5,487,343)	\$ -	\$ (378,627)	\$ -	1
(8,968,000)	\$ (8,418,068)	\$ (8,418,068)		\$ (2,946,324)	\$ (8,968,000)	\$ (8,418,068)	\$ -	\$ (580,647)	\$ -	\$ -	2
\$ (5,380,800)	\$ (4,753,823)	\$ (4,753,823)		\$ (1,663,838)	\$ (5,380,800)	\$ (4,753,823)	\$ -	\$ (328,14)	\$ -	\$ -	3
\$ (3,228,480)	\$ (2,521,914)	\$ (2,521,914)		\$ (882,670)	\$ (3,228,480)	\$ (2,521,914)	\$ -	\$ (174,012)	\$ -	\$ -	4
\$ (2,439,561)	\$ (2,439,561)			\$ (853,881)	\$ (2,439,561)	\$ (2,439,561)	\$ -	\$ (168,337)	\$ -	\$ -	5
\$ (770,380)	\$ (770,380)			\$ (269,653)	\$ (1,614,240)	\$ (770,380)	\$ -	\$ (53,56)	\$ -	\$ -	6
\$ 877,291	\$ 877,291			\$ 307,052	\$ 877,291	\$ 877,291	\$ -	\$ 60,533	\$ -	\$ -	7
\$ 938,268	\$ 938,268			\$ 307,207	\$ 938,268	\$ 938,268	\$ -	\$ 64,441	\$ -	\$ -	8
\$ 1,006,338	\$ 942,198			\$ 329,769	\$ 1,006,938	\$ 1,006,938	\$ -	\$ 69,479	\$ -	\$ -	9
\$ 1,063,455	\$ 993,977			\$ 347,862	\$ 1,063,455	\$ 1,063,455	\$ -	\$ 73,378	\$ -	\$ -	10
\$ 1,117,383	\$ 1,117,383			\$ 365,612	\$ 1,117,383	\$ 1,117,383	\$ -	\$ 77,141	\$ -	\$ -	11
\$ 1,390,394	\$ 1,313,153			\$ 459,604	\$ 1,390,394	\$ 1,390,394	\$ -	\$ 95,330	\$ -	\$ -	12
\$ 1,512,362	\$ 1,416,632			\$ 495,821	\$ 1,512,362	\$ 1,512,362	\$ -	\$ 104,367	\$ -	\$ -	13
\$ 1,638,362	\$ 1,534,595			\$ 537,108	\$ 1,638,362	\$ 1,638,362	\$ -	\$ 113,088	\$ -	\$ -	14
\$ 1,769,396	\$ 1,656,607			\$ 579,813	\$ 1,769,396	\$ 1,769,396	\$ -	\$ 122,109	\$ -	\$ -	15
\$ 1,904,380	\$ 1,782,871			\$ 624,005	\$ 1,904,980	\$ 1,904,980	\$ -	\$ 131,444	\$ -	\$ -	16
\$ 2,045,043	\$ 1,973,599			\$ 669,760	\$ 2,045,043	\$ 2,045,043	\$ -	\$ 141,108	\$ -	\$ -	17
\$ 2,190,124	\$ 2,049,016			\$ 717,156	\$ 2,190,124	\$ 2,190,124	\$ -	\$ 151,119	\$ -	\$ -	18
\$ 2,317,556	\$ 2,166,837			\$ 758,393	\$ 2,317,956	\$ 2,317,956	\$ -	\$ 159,939	\$ -	\$ -	19
\$ 2,451,327	\$ 2,291,388			\$ 801,986	\$ 2,451,327	\$ 2,451,327	\$ -	\$ 169,142	\$ -	\$ -	20
\$ 2,569,394	\$ 2,400,852			\$ 840,298	\$ 2,569,394	\$ 2,569,394	\$ -	\$ 177,330	\$ -	\$ -	21
\$ 2,665,397	\$ 2,448,367			\$ 870,928	\$ 2,665,397	\$ 2,665,397	\$ -	\$ 183,933	\$ -	\$ -	22
\$ 2,734,391	\$ 2,550,658			\$ 892,730	\$ 2,734,391	\$ 2,734,391	\$ -	\$ 188,387	\$ -	\$ -	23
\$ 2,805,208	\$ 2,616,521			\$ 915,782	\$ 2,805,208	\$ 2,805,208	\$ -	\$ 193,559	\$ -	\$ -	24
\$ 2,877,390	\$ 2,684,031			\$ 939,411	\$ 2,877,590	\$ 2,877,590	\$ -	\$ 195,554	\$ -	\$ -	25
\$ 2,951,782	\$ 2,753,229			\$ 963,630	\$ 2,951,782	\$ 2,951,782	\$ -	\$ 203,673	\$ -	\$ -	26
\$ 3,027,329	\$ 2,824,156			\$ 988,455	\$ 3,027,829	\$ 3,027,829	\$ -	\$ 208,220	\$ -	\$ -	27
\$ 3,105,777	\$ 2,896,857			\$ 1,013,900	\$ 3,105,777	\$ 3,105,777	\$ -	\$ 214,299	\$ -	\$ -	28
\$ 3,093,331	\$ 2,879,232			\$ 1,007,731	\$ 3,093,531	\$ 3,093,531	\$ -	\$ 215,454	\$ -	\$ -	29
\$ 3,080,979	\$ 2,867,525			\$ 1,003,634	\$ 3,080,979	\$ 3,080,979	\$ -	\$ 212,588	\$ -	\$ -	30

OPTIMUM CASE: This sheet is the most effective financial solution to take the ITC as a true investment tax credit up front. This effectively boosts the Depreciation to 95% as modeled of the total project value. Taking the ITC as cash reduces the depreciation to 85% of the allowable amount which in this model results in a total depreciation value of 80.8% of the total project value. Both cases may be conservative, but clearly the value of taking the ITC as a credit upfront and the full value of the depreciation is a huge benefit to the project in total credits and overall returns. It is hard to say what credits will exist for this type of project in the future.



11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines; Federal and State Tax Liabilities - PRODUCTION TAX CREDIT PTC MODEL

	Depreciation Expense of Taxable FEDERAL Income (Loss)	Taxable FEDERAL Expenses (Loss)	FEDERAL Credit for PTC	FEDERAL Production Credit	Federal Tax Payable (Loss)	State Depreciation Expense of Taxable Full VALUE	State Expenses Full VALUE	State DEPRECIATION EXPENSE of Taxable PTC	State PTC	State Tax Payable Credit	State Tax Liability	Cumulative State Tax Liability
2014	\$ (5,605,000)	\$ (5,487,343)	\$ (6,487,343)	\$ (112,823)	\$ (2,032,393)	\$ (5,605,000)	\$ (5,487,343)	\$ (5,487,343)	\$ -	\$ (378,627)	\$ (378,627)	1
2015	\$ (8,968,000)	\$ (8,418,068)	\$ (4,753,823)	\$ (69,368)	\$ (3,638,392)	\$ (8,968,000)	\$ (8,418,068)	\$ (8,418,068)	\$ -	\$ (580,847)	\$ (959,473)	2
2016	\$ (8,380,800)	\$ (4,753,823)	\$ (4,753,823)	\$ (709,267)	\$ (2,373,050)	\$ (8,380,800)	\$ (4,753,823)	\$ (4,753,823)	\$ -	\$ (328,014)	\$ (1,287,487)	3
2017	\$ (3,228,490)	\$ (2,521,914)	\$ (2,521,914)	\$ (726,999)	\$ (1,609,669)	\$ (3,228,490)	\$ (2,521,914)	\$ (2,521,914)	\$ -	\$ (174,012)	\$ (1,461,499)	4
2018	\$ (2,439,680)	\$ (2,439,681)	\$ (2,439,681)	\$ (1,599,055)	\$ (1,032,436)	\$ (3,228,480)	\$ (2,439,681)	\$ (2,439,681)	\$ -	\$ (1629,333)	\$ (1,682,992)	5
2019	\$ (1,614,240)	\$ (770,380)	\$ (770,380)	\$ (763,803)	\$ (1,032,436)	\$ (1,614,240)	\$ (770,380)	\$ (770,380)	\$ -	\$ (53,156)	\$ (1,622,456)	6
2020	\$ 877,291	\$ 877,291	\$ (872,896)	\$ (475,846)	\$ (474,076)	\$ 877,291	\$ 877,291	\$ 877,291	\$ -	\$ 60,533	\$ (1,557,719)	7
2021	\$ 938,268	\$ 938,268	\$ (822,532)	\$ (470,044)	\$ (470,044)	\$ 938,268	\$ 938,268	\$ 938,268	\$ -	\$ 69,479	\$ (1,488,240)	8
2022	\$ 1,006,938	\$ 1,006,938	\$ (822,532)	\$ (470,044)	\$ (470,044)	\$ 1,006,938	\$ 1,006,938	\$ 1,006,938	\$ -	\$ 73,378	\$ (1,414,861)	9
2023	\$ 1,063,455	\$ 1,063,455	\$ (843,095)	\$ (470,886)	\$ (470,886)	\$ 1,063,455	\$ 1,063,455	\$ 1,063,455	\$ -	\$ 73,378	\$ (1,337,721)	10
2024	\$ 1,177,983	\$ 1,177,983	\$ (792,158)	\$ (400,364)	\$ (400,364)	\$ 1,177,983	\$ 1,177,983	\$ 1,177,983	\$ -	\$ 73,378	\$ (1,337,721)	11
2025	\$ 1,390,294	\$ 1,390,294	\$ (529,397)	\$ (486,803)	\$ (486,803)	\$ 1,390,294	\$ 1,390,294	\$ 1,390,294	\$ -	\$ 95,330	\$ (1,241,790)	12
2026	\$ 1,512,562	\$ 1,512,562	\$ (529,397)	\$ (529,397)	\$ -	\$ 1,512,562	\$ 1,512,562	\$ 1,512,562	\$ -	\$ 104,367	\$ (1,137,423)	13
2027	\$ 1,638,962	\$ 1,638,962	\$ (573,637)	\$ (573,637)	\$ -	\$ 1,638,962	\$ 1,638,962	\$ 1,638,962	\$ -	\$ 113,088	\$ (1,024,335)	14
2028	\$ 1,759,696	\$ 1,759,696	\$ (619,393)	\$ (619,393)	\$ -	\$ 1,759,696	\$ 1,759,696	\$ 1,759,696	\$ -	\$ 122,109	\$ (902,226)	15
2029	\$ 1,904,980	\$ 1,904,980	\$ (666,143)	\$ (715,765)	\$ (715,765)	\$ 1,904,980	\$ 1,904,980	\$ 1,904,980	\$ -	\$ 131,444	\$ (770,782)	16
2030	\$ 2,045,043	\$ 2,045,043	\$ (715,765)	\$ (766,543)	\$ (766,543)	\$ 2,045,043	\$ 2,045,043	\$ 2,045,043	\$ -	\$ 141,109	\$ (629,674)	17
2031	\$ 2,190,124	\$ 2,190,124	\$ (811,284)	\$ (811,284)	\$ (811,284)	\$ 2,190,124	\$ 2,190,124	\$ 2,190,124	\$ -	\$ 151,119	\$ (478,556)	18
2032	\$ 2,317,956	\$ 2,317,956	\$ (857,965)	\$ (857,965)	\$ (857,965)	\$ 2,317,956	\$ 2,317,956	\$ 2,317,956	\$ -	\$ 159,339	\$ (318,617)	19
2033	\$ 2,451,327	\$ 2,451,327	\$ (896,984)	\$ (896,984)	\$ (896,984)	\$ 2,451,327	\$ 2,451,327	\$ 2,451,327	\$ -	\$ 169,142	\$ (149,475)	20
2034	\$ 2,589,994	\$ 2,589,994	\$ (929,245)	\$ (929,245)	\$ (929,245)	\$ 2,589,994	\$ 2,589,994	\$ 2,589,994	\$ -	\$ 177,330	\$ 27,854	21
2035	\$ 2,665,697	\$ 2,637,842	\$ (929,245)	\$ (892,130)	\$ (892,130)	\$ 2,665,697	\$ 2,665,697	\$ 2,665,697	\$ -	\$ 183,333	\$ 183,933	22
2036	\$ 2,734,591	\$ 2,550,658	\$ (892,130)	\$ (915,782)	\$ (915,782)	\$ 2,734,591	\$ 2,734,591	\$ 2,734,591	\$ -	\$ 188,987	\$ 188,987	23
2037	\$ 2,805,208	\$ 2,616,521	\$ (915,782)	\$ (938,411)	\$ (938,411)	\$ 2,805,208	\$ 2,805,208	\$ 2,805,208	\$ -	\$ 193,559	\$ 193,559	24
2038	\$ 2,877,590	\$ 2,684,031	\$ (938,411)	\$ (963,630)	\$ (963,630)	\$ 2,877,590	\$ 2,877,590	\$ 2,877,590	\$ -	\$ 198,554	\$ 198,554	25
2039	\$ 2,951,782	\$ 2,753,229	\$ (963,630)	\$ (984,455)	\$ (984,455)	\$ 2,951,782	\$ 2,951,782	\$ 2,951,782	\$ -	\$ 203,673	\$ 203,673	26
2040	\$ 3,027,829	\$ 2,824,156	\$ (984,455)	\$ (1,015,900)	\$ (1,015,900)	\$ 3,027,829	\$ 3,027,829	\$ 3,027,829	\$ -	\$ 208,920	\$ 208,920	27
2041	\$ 3,105,777	\$ 2,896,887	\$ (1,015,900)	\$ (1,077,731)	\$ (1,077,731)	\$ 3,105,777	\$ 3,105,777	\$ 3,105,777	\$ -	\$ 214,299	\$ 214,299	28
2042	\$ 3,093,531	\$ 2,859,232	\$ (1,077,731)	\$ 1,036,634	\$ 1,036,634	\$ 3,093,531	\$ 3,093,531	\$ 3,093,531	\$ -	\$ 213,454	\$ 213,454	29
2043	\$ 3,080,979	\$ 2,867,525	\$ 1,036,634	\$ 1,003,634	\$ 1,003,634	\$ 3,080,979	\$ 3,080,979	\$ 3,080,979	\$ -	\$ 212,588	\$ 212,588	30

Special PRODUCTION TAX CREDIT PTC Case: This scenario shows the effect of the PTC credits with the full depreciation value. The state credits and payable tax are the same as the ITC model, the Federal part of the model is significantly different of course. The total federal credits are driven completely by energy kWh production levels and produce through 30 full years from project on-line date. Often companies that can fully use the PTC do not have tax liabilities in the states of the project construction. The far right column shows the effect of carrying the state credit forward instead of offsetting other business State Tax liabilities more than 20 years. Some portion of those credits may expire before using them in that time frame.

11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines;

After Tax Cash and Credits Profitability Statement

Year	TOTAL Revenues	TOTAL Expenses	Net Operating Cash Flow	Net AFTER-TAX Cash Flow	Sale Tax Payable	Net PAYMENTS Cash Flow	Federal CREDITS - Capitalized to Other Businesses	State Tax CREDITS - Capitalized to Other Businesses	Total Project Returns - Cash Flow and Credit Returns.	ITC-Equivalent Equity	20 Year IRR:
2014	\$ 347,007	\$ (293,357)	\$ 53,650	\$ 53,650	\$ -	\$ -	\$ 53,650	\$ 1,626,307	\$ 320,615	\$ 2,000,573	16%
2015	\$ 2,128,262	\$ (1,976,073)	\$ 152,189	\$ 152,189	\$ -	\$ -	\$ 152,189	\$ 2,475,504	\$ 488,028	\$ 3,115,720	
2016	\$ 2,181,468	\$ (1,976,767)	\$ 204,701	\$ 204,701	\$ -	\$ -	\$ 204,701	\$ 1,381,346	\$ 272,323	\$ 1,858,370	
2017	\$ 2,236,005	\$ (1,977,759)	\$ 258,246	\$ 258,246	\$ -	\$ -	\$ 258,246	\$ 713,175	\$ 140,597	\$ 1,112,018	
2018	\$ 2,291,905	\$ (1,979,058)	\$ 312,847	\$ 312,847	\$ -	\$ -	\$ 312,847	\$ 684,386	\$ 134,922	\$ 1,132,155	
2019	\$ 2,349,203	\$ (2,010,671)	\$ 338,532	\$ 338,532	\$ -	\$ -	\$ 338,532	\$ 184,885	\$ 36,449	\$ 559,866	
2020	\$ 2,407,933	\$ (2,067,138)	\$ 340,795	\$ 340,795	\$ 307,052	\$ 60,533	\$ 60,533	\$ (26,790)	\$ -	\$ (26,790)	
2021	\$ 2,468,131	\$ (2,099,449)	\$ 368,682	\$ 368,682	\$ 307,207	\$ 64,741	\$ 64,741	\$ (3,265)	\$ -	\$ (3,265)	
2022	\$ 2,529,835	\$ (2,127,613)	\$ 402,222	\$ 402,222	\$ 329,769	\$ 69,479	\$ 69,479	\$ 2,974	\$ -	\$ 2,974	
2023	\$ 2,583,081	\$ (2,174,639)	\$ 421,441	\$ 421,441	\$ 347,892	\$ 73,378	\$ 73,378	\$ 171	\$ -	\$ 171	
2024	\$ 2,637,908	\$ (2,221,537)	\$ 436,371	\$ 436,371	\$ 355,612	\$ 77,141	\$ 77,141	\$ (6,382)	\$ -	\$ (6,382)	
2025	\$ 2,885,406	\$ (2,218,764)	\$ 666,642	\$ 666,642	\$ 499,604	\$ 95,930	\$ 95,930	\$ 111,108	\$ -	\$ 111,108	
2026	\$ 2,957,541	\$ (2,213,264)	\$ 727,277	\$ 727,277	\$ 493,821	\$ 104,367	\$ 104,367	\$ 144,089	\$ -	\$ 144,089	
2027	\$ 3,031,479	\$ (2,208,190)	\$ 823,289	\$ 823,289	\$ 537,108	\$ 113,088	\$ 113,088	\$ 173,093	\$ -	\$ 173,093	
2028	\$ 3,107,266	\$ (2,203,552)	\$ 903,715	\$ 903,715	\$ 579,813	\$ 122,109	\$ 122,109	\$ 201,793	\$ -	\$ 201,793	
2029	\$ 3,184,948	\$ (2,199,360)	\$ 985,587	\$ 985,587	\$ 624,005	\$ 131,444	\$ 131,444	\$ 230,139	\$ -	\$ 230,139	
2030	\$ 3,264,572	\$ (2,195,828)	\$ 1,068,944	\$ 1,068,944	\$ 669,760	\$ 141,108	\$ 141,108	\$ 258,076	\$ -	\$ 258,076	
2031	\$ 3,346,186	\$ (2,192,365)	\$ 1,153,824	\$ 1,153,824	\$ 717,156	\$ 151,119	\$ 151,119	\$ 285,547	\$ -	\$ 285,547	
2032	\$ 3,429,841	\$ (2,212,104)	\$ 1,217,736	\$ 1,217,736	\$ 756,393	\$ 159,939	\$ 159,939	\$ 299,404	\$ -	\$ 299,404	
2033	\$ 3,515,587	\$ (2,232,338)	\$ 1,283,249	\$ 1,283,249	\$ 801,986	\$ 169,142	\$ 169,142	\$ 312,121	\$ -	\$ 312,121	
2034	\$ 3,603,476	\$ (2,061,730)	\$ 1,541,747	\$ 1,541,747	\$ 840,298	\$ 177,330	\$ 177,330	\$ 524,119	\$ -	\$ 524,119	
2035	\$ 3,693,563	\$ (1,027,367)	\$ 2,665,697	\$ 2,665,697	\$ 870,928	\$ 183,933	\$ 183,933	\$ 1,610,835	\$ -	\$ 1,610,835	
2036	\$ 3,785,902	\$ (1,051,311)	\$ 2,734,591	\$ 2,734,591	\$ 892,730	\$ 188,687	\$ 188,687	\$ 1,653,174	\$ -	\$ 1,653,174	
2037	\$ 3,880,550	\$ (1,075,342)	\$ 2,805,208	\$ 2,805,208	\$ 915,782	\$ 193,559	\$ 193,559	\$ 1,695,866	\$ -	\$ 1,695,866	
2038	\$ 3,977,563	\$ (1,099,973)	\$ 2,877,590	\$ 2,877,590	\$ 939,411	\$ 198,554	\$ 198,554	\$ 1,739,626	\$ -	\$ 1,739,626	
2039	\$ 4,077,003	\$ (1,125,220)	\$ 2,951,782	\$ 2,951,782	\$ 963,630	\$ 203,673	\$ 203,673	\$ 1,784,479	\$ -	\$ 1,784,479	
2040	\$ 4,176,928	\$ (1,151,099)	\$ 3,027,829	\$ 3,027,829	\$ 988,456	\$ 208,920	\$ 208,920	\$ 1,830,454	\$ -	\$ 1,830,454	
2041	\$ 4,283,401	\$ (1,177,824)	\$ 3,105,777	\$ 3,105,777	\$ 1,013,900	\$ 214,299	\$ 214,299	\$ 1,877,578	\$ -	\$ 1,877,578	
2042	\$ 4,298,343	\$ (1,204,812)	\$ 3,093,531	\$ 3,093,531	\$ 1,007,731	\$ 213,454	\$ 213,454	\$ 1,872,346	\$ -	\$ 1,872,346	
2043	\$ 4,313,659	\$ (1,232,881)	\$ 3,080,979	\$ 3,080,979	\$ 1,003,634	\$ 212,588	\$ 212,588	\$ 1,864,758	\$ -	\$ 1,864,758	
Totals	93,005,950	(52,984,283)	40,021,668	16,737,677	3,528,512	19,755,479	7,065,604	1,392,933	28,214,016	1,392,933	28,214,016

Note: NPV totals are simply the equivalent value of the following revenue streams which represent after tax cash and credits assuming each are equally usable by an investor. (Thus a Federal and a State credit in a given year is worth the same equivalent as the cash money which is quite low. Clearly the wind business is more credit driven than cash.

11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines;

After Tax Cash and Credits Profitability - Internal Carryover of State Tax Credits Only

Year	TOTAL Revenues	TOTAL Expenses	Net Operating Cash Flow	State Tax Payable	Net AFTER TAX Cash Flow	Total CREDITS - Carried to Other Businesses	State Tax CREDITS - Carried to Other Businesses	Total Project Returns - Cash and Credit Values	ITC Equivalent Equity
2014	\$ 347,007	\$ (293,357)	\$ 53,650	\$ 1	\$ 21 Yr NPV = \$1,382,966 at 12%	\$ 21 Yr NPV = \$5,343,975 at 12%	\$ 21 Yr NPV = \$0,000,000 at 12%	\$ 21 Yr NPV = \$6,726,941 at 12%	\$ 7,965,000
2015	\$ 2,128,262	\$ (1,976,073)	\$ 152,189	\$ 2				\$ 1,626,307	\$ 6,785,000
2016	\$ 2,181,468	\$ (1,976,767)	\$ 204,701	\$ 3				\$ 152,189	\$ 2,627,692
2017	\$ 2,236,005	\$ (1,977,759)	\$ 258,246	\$ 4				\$ 204,701	\$ 1,586,048
2018	\$ 2,291,905	\$ (1,979,058)	\$ 312,847	\$ 5				\$ 258,246	\$ 971,421
2019	\$ 2,349,203	\$ (2,010,671)	\$ 338,532	\$ 6				\$ 312,847	\$ 997,233
2020	\$ 2,407,933	\$ (2,067,138)	\$ 340,795	\$ 7				\$ 338,532	\$ 523,417
2021	\$ 2,468,131	\$ (2,089,449)	\$ 368,682	\$ 8				\$ 337,743	\$ 33,743
2022	\$ 2,529,835	\$ (2,127,613)	\$ 402,222	\$ 9				\$ 40,289	\$ 40,289
2023	\$ 2,583,081	\$ (2,171,639)	\$ 421,441	\$ 10				\$ 49,793	\$ 49,793
2024	\$ 2,637,908	\$ (2,221,537)	\$ 436,371	\$ 11				\$ 49,232	\$ 49,232
2025	\$ 2,685,406	\$ (2,218,764)	\$ 666,642	\$ 12				\$ 45,077	\$ 45,077
2026	\$ 2,937,541	\$ (2,213,264)	\$ 744,277	\$ 13				\$ 180,039	\$ 180,039
2027	\$ 3,031,479	\$ (2,208,190)	\$ 823,289	\$ 14				\$ 214,880	\$ 214,880
2028	\$ 3,107,266	\$ (2,203,552)	\$ 903,715	\$ 15				\$ 249,653	\$ 249,653
2029	\$ 3,184,948	\$ (2,199,360)	\$ 985,587	\$ 16				\$ 284,321	\$ 284,321
2030	\$ 3,264,572	\$ (2,195,628)	\$ 1,068,944	\$ 17				\$ 318,844	\$ 318,844
2031	\$ 3,346,186	\$ (2,192,365)	\$ 1,153,821	\$ 18				\$ 353,179	\$ 353,179
2032	\$ 3,429,841	\$ (2,192,104)	\$ 1,217,736	\$ 19				\$ 387,278	\$ 387,278
2033	\$ 3,515,587	\$ (2,232,338)	\$ 1,283,249	\$ 20				\$ 406,452	\$ 406,452
2034	\$ 3,603,476	\$ (2,061,730)	\$ 1,541,47	\$ 21				\$ 284,701	\$ 284,701
2035	\$ 3,693,563	\$ (1,027,867)	\$ 2,665,697	\$ 22				\$ 514,123	\$ 514,123
2036	\$ 3,785,902	\$ (1,051,311)	\$ 2,734,591	\$ 23				\$ 1,610,835	\$ 1,610,835
2037	\$ 3,880,550	\$ (1,075,342)	\$ 2,805,208	\$ 24				\$ 1,695,866	\$ 1,695,866
2038	\$ 3,977,563	\$ (1,099,973)	\$ 2,877,590	\$ 25				\$ 1,739,626	\$ 1,739,626
2039	\$ 4,077,003	\$ (1,125,220)	\$ 2,951,782	\$ 26				\$ 1,784,479	\$ 1,784,479
2040	\$ 4,178,928	\$ (1,151,099)	\$ 3,027,829	\$ 27				\$ 208,920	\$ 1,830,454
2041	\$ 4,283,401	\$ (1,177,624)	\$ 3,105,777	\$ 28				\$ 214,299	\$ 1,877,578
2042	\$ 4,298,343	\$ (1,204,812)	\$ 3,093,531	\$ 29				\$ 213,454	\$ 1,872,346
2043	\$ 4,313,659	\$ (1,232,681)	\$ 3,089,979	\$ 30				\$ 212,588	\$ 1,864,758
Totals	93,005,950	(52,984,283)	40,021,668	17,225,203	2,135,579	20,660,886	-	7,065,604	27,726,490

11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines;

After Tax Cash and Credits Profitability - Using ITC as Year 0 Immediate Credit instead of Cash Payment

Year	TOTAL Revenues	TOTAL Expenses	Net Operating Cash Flow	DA/HO State Tax Payable	Net AFTER TAX Payments	Federal CREDITS - Capitalized to Other Businesses	Total Project Returns - Cash and Credit Values	ITC Equivalent Equity
2014	\$ 347,007	\$ (293,357)	\$ 53,650	\$ 1,175,650	\$ 21 Yr NPV = \$13,541,553 at 12%	\$ 53,650	\$ 9,885,570	\$ 10,317,847
2015	\$ 2,128,262	\$ (1,976,073)	\$ 152,189	\$ -	\$ -	\$ 152,189	\$ 2,946,324	\$ 3,679,359
2016	\$ 2,181,468	\$ (1,976,767)	\$ 204,701	\$ -	\$ -	\$ 204,701	\$ 1,663,838	\$ 2,196,554
2017	\$ 2,236,005	\$ (1,977,759)	\$ 258,246	\$ -	\$ -	\$ 258,246	\$ 882,670	\$ 1,314,928
2018	\$ 2,291,905	\$ (1,979,058)	\$ 312,847	\$ -	\$ -	\$ 312,847	\$ 853,881	\$ 168,337
2019	\$ 2,349,203	\$ (2,010,671)	\$ 338,532	\$ -	\$ -	\$ 338,532	\$ 269,633	\$ 53,156
2020	\$ 2,407,933	\$ (2,067,138)	\$ 340,795	\$ 7	\$ 307,052	\$ 60,533	\$ (26,790)	\$ -
2021	\$ 2,468,131	\$ (2,099,449)	\$ 368,682	\$ 8	\$ 307,207	\$ 64,741	\$ (3,265)	\$ -
2022	\$ 2,529,835	\$ (2,127,613)	\$ 402,222	\$ 9	\$ 329,769	\$ 69,479	\$ 2,974	\$ -
2023	\$ 2,593,081	\$ (2,171,639)	\$ 421,441	\$ 10	\$ 347,892	\$ 73,378	\$ 171	\$ -
2024	\$ 2,657,908	\$ (2,221,537)	\$ 436,371	\$ 11	\$ 365,612	\$ 77,141	\$ (6,382)	\$ -
2025	\$ 2,885,406	\$ (2,218,764)	\$ 666,642	\$ 12	\$ 459,604	\$ 95,930	\$ 111,108	\$ -
2026	\$ 2,957,541	\$ (2,213,264)	\$ 744,277	\$ 13	\$ 495,821	\$ 104,367	\$ 144,089	\$ -
2027	\$ 3,031,479	\$ (2,208,190)	\$ 823,289	\$ 14	\$ 537,108	\$ 113,088	\$ 173,093	\$ -
2028	\$ 3,107,266	\$ (2,203,522)	\$ 903,715	\$ 15	\$ 579,813	\$ 122,109	\$ 201,793	\$ -
2029	\$ 3,184,948	\$ (2,199,380)	\$ 985,587	\$ 16	\$ 624,005	\$ 131,444	\$ 230,139	\$ -
2030	\$ 3,264,572	\$ (2,195,628)	\$ 1,068,944	\$ 17	\$ 669,760	\$ 141,108	\$ 258,076	\$ -
2031	\$ 3,346,186	\$ (2,192,355)	\$ 1,153,821	\$ 18	\$ 717,156	\$ 151,119	\$ 285,547	\$ -
2032	\$ 3,429,841	\$ (2,192,104)	\$ 1,217,736	\$ 19	\$ 758,393	\$ 159,939	\$ 299,404	\$ -
2033	\$ 3,515,587	\$ (2,232,338)	\$ 1,283,249	\$ 20	\$ 801,986	\$ 169,142	\$ 312,121	\$ -
2034	\$ 3,603,476	\$ (2,061,730)	\$ 1,541,747	\$ 21	\$ 840,298	\$ 177,330	\$ 524,119	\$ -
2035	\$ 3,693,563	\$ (1,027,867)	\$ 2,665,697	\$ 22	\$ 870,928	\$ 183,933	\$ 1,610,835	\$ -
2036	\$ 3,785,902	\$ (1,051,311)	\$ 2,734,591	\$ 23	\$ 892,730	\$ 188,687	\$ 1,653,174	\$ -
2037	\$ 3,880,550	\$ (1,075,342)	\$ 2,805,208	\$ 24	\$ 915,782	\$ 193,559	\$ 1,695,866	\$ -
2038	\$ 3,977,553	\$ (1,099,973)	\$ 2,877,590	\$ 25	\$ 939,411	\$ 198,554	\$ 1,739,626	\$ -
2039	\$ 4,077,003	\$ (1,125,220)	\$ 2,951,782	\$ 26	\$ 963,630	\$ 203,673	\$ 1,784,479	\$ -
2040	\$ 4,178,928	\$ (1,151,059)	\$ 3,027,829	\$ 27	\$ 988,455	\$ 208,920	\$ 1,830,454	\$ -
2041	\$ 4,283,401	\$ (1,177,624)	\$ 3,105,777	\$ 28	\$ 1,013,900	\$ 214,299	\$ 1,877,578	\$ -
2042	\$ 4,298,343	\$ (1,204,812)	\$ 3,093,531	\$ 29	\$ 1,007,731	\$ 213,454	\$ 1,872,346	\$ -
2043	\$ 4,313,659	\$ (1,232,681)	\$ 3,080,979	\$ 30	\$ 1,003,634	\$ 212,588	\$ 1,884,758	\$ -
Totals	93,005,950	(52,984,293)	40,021,668		19,755,479	3,528,512	16,501,916	1,682,992
					16,737,677	3,740,388	19,755,479	1,682,992



11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines; After Tax Cash and Credits Profitability - PTC Production Tax Credits instead of ITC

Year	TOTAL Revenues	TOTAL Expenses	Net Operating Cash Flow	Net AFTER TAX Payments - Capitalized to Other Businesses - Share Tax Payable	Net AFTER TAX Payments - Capitalized to Other Businesses - Share Tax Flow	Total Credits - Capitalized to Other Businesses - Share Tax Flow	Total Project Credit Returns - Cash and Equity Amnt	ITC Equivalent Equity	20 Year IRR:	Total Investment
2014	\$ 3,096,190 at 12%							\$ 7,965,000	8%	\$ 14,750,000
2015	\$ 347,007 \$ 2,128,262	\$ (293,357) \$ (1,976,073)	\$ 53,650 \$ 152,189					\$ 6,785,000		
2016	\$ 2,181,468	\$ (1,976,767)	\$ 204,701							
2017	\$ 2,236,005	\$ (1,977,759)	\$ 258,246							
2018	\$ 2,291,905	\$ (1,979,058)	\$ 312,847							
2019	\$ 2,349,203	\$ (2,010,671)	\$ 338,532							
2020	\$ 2,407,933	\$ (2,067,138)	\$ 340,795							
2021	\$ 2,468,131	\$ (2,099,449)	\$ 368,582							
2022	\$ 2,529,835	\$ (2,127,613)	\$ 402,222							
2023	\$ 2,583,081	\$ (2,171,639)	\$ 421,441							
2024	\$ 2,657,908	\$ (2,221,537)	\$ 436,371							
2025	\$ 2,885,406	\$ (2,248,764)	\$ 666,642							
2026	\$ 2,957,541	\$ (2,213,264)	\$ 744,277							
2027	\$ 3,031,479	\$ (2,208,190)	\$ 823,289							
2028	\$ 3,107,266	\$ (2,203,552)	\$ 903,715							
2029	\$ 3,184,948	\$ (2,199,360)	\$ 985,587							
2030	\$ 3,264,572	\$ (2,195,628)	\$ 1,068,944							
2031	\$ 3,346,186	\$ (2,192,365)	\$ 1,153,821							
2032	\$ 3,429,841	\$ (2,124,104)	\$ 1,247,736							
2033	\$ 3,515,587	\$ (2,232,338)	\$ 1,283,249							
2034	\$ 3,603,476	\$ (2,061,730)	\$ 1,541,747							
2035	\$ 3,693,563	\$ (1,027,867)	\$ 2,665,997							
2036	\$ 3,785,902	\$ (1,051,311)	\$ 2,734,591							
2037	\$ 3,880,550	\$ (1,075,342)	\$ 2,805,208							
2038	\$ 3,977,563	\$ (1,099,973)	\$ 2,877,590							
2039	\$ 4,077,003	\$ (1,125,220)	\$ 2,951,782							
2040	\$ 4,178,928	\$ (1,151,099)	\$ 3,027,829							
2041	\$ 4,283,401	\$ (1,177,624)	\$ 3,105,777							
2042	\$ 4,298,343	\$ (1,204,812)	\$ 3,093,531							
2043	\$ 4,313,659	\$ (1,232,681)	\$ 3,080,979							
Totals	93,005,950	(52,984,283)	3,528,512	15,575,346	3,528,512	15,575,346	15,575,346	1,682,992	20,917,809	14,578,726
										37,179,527

**11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines;
20 Year - UNLEVERAGED - After Tax Returns - ITC TAKEN AS CASH - 85% Allowable Depreciation**

Year	Total REVENUES	Total EXPENSES	Net INCOME - CASH With No Debt Payments	Federal Depreciation Expense	Taxable Income (Loss) Federal Expense Paid For Credit Expenditure	Federal Tax Payable (Loss) State Tax Payable	Credit Value of Tax Debt Payments Paid	Federal Credit Value of Tax Debt Payments Paid	TAX CASH AFTER STATE CREDIT	Total CASH After Tax Debt Payments	20 YEAR RETURN UNLEVERAGED	
2014	\$ 347,007	\$ (82,009)	\$ 264,998	\$ (4,764,250)	\$ (4,499,252)	\$ (4,499,252)	\$ (1,574,738)	\$ (4,499,252)	\$ (310,448)	\$ 1,885,187	\$ 264,998	Total Project: \$ 29,500,000
2015	\$ 2,128,262	\$ (707,990)	\$ 1,420,272	\$ (7,622,800)	\$ (6,202,528)	\$ (6,202,528)	\$ (2,170,885)	\$ (427,974)	\$ 2,588,859	\$ 1,420,272	Total Grants: \$ (7,965,000)	
2016	\$ 2,181,468	\$ (708,684)	\$ 1,472,784	\$ (4,573,680)	\$ (3,100,896)	\$ (3,100,896)	\$ (1,085,313)	\$ (3,100,896)	\$ (213,902)	\$ 1,299,275	\$ 1,472,784	
2017	\$ 2,236,005	\$ (709,676)	\$ 1,526,329	\$ (2,744,208)	\$ (1,217,879)	\$ (1,217,879)	\$ (426,258)	\$ (1,217,879)	\$ (84,034)	\$ 510,291	\$ 1,526,329	NET \$ 21,535,000 INVESTMENT:
2018	\$ 2,291,905	\$ (710,975)	\$ 1,580,930	\$ (2,744,208)	\$ (1,163,278)	\$ (1,163,278)	\$ (407,147)	\$ (1,163,278)	\$ (80,286)	\$ 487,413	\$ 1,580,930	RETURN CALC
2019	\$ 2,349,203	\$ (742,688)	\$ 1,606,615	\$ (1,372,104)	\$ 234,511	\$ 234,511	\$ 82,079	\$ 234,511	\$ 16,181	\$ 1,508,355	Year 0 \$ (21,535,000)	
2020	\$ 2,407,933	\$ (798,055)	\$ 1,608,878	\$ (798,055)	\$ 1,608,878	\$ 1,608,878	\$ 567,444	\$ 1,608,878	\$ 111,013	\$ 940,422	Year 1 \$ 2,150,184	
2021	\$ 2,468,131	\$ (831,386)	\$ 1,636,765	\$ (831,386)	\$ 1,636,765	\$ 1,636,765	\$ 534,013	\$ 1,636,765	\$ 112,937	\$ 989,815	Year 2 \$ 4,019,131	
2022	\$ 2,529,835	\$ (859,530)	\$ 1,670,305	\$ (859,530)	\$ 1,670,305	\$ 1,670,305	\$ 545,079	\$ 1,670,305	\$ 115,251	\$ 1,009,975	Year 3 \$ 2,772,060	
2023	\$ 2,583,081	\$ (903,556)	\$ 1,689,524	\$ (903,556)	\$ 1,689,524	\$ 1,689,524	\$ 550,996	\$ 1,689,524	\$ 116,577	\$ -	\$ 1,031,951	Year 4 \$ 2,036,620
2024	\$ 2,657,908	\$ (953,454)	\$ 1,704,454	\$ (1,704,454)	\$ 1,704,454	\$ 1,704,454	\$ 555,757	\$ 1,704,454	\$ 117,607	\$ 1,068,344	Year 5 \$ 2,068,344	
2025	\$ 2,885,406	\$ (950,681)	\$ 1,934,725	\$ (950,681)	\$ 1,934,725	\$ 1,934,725	\$ 635,991	\$ 1,934,725	\$ 133,496	\$ 1,508,355	Year 6 \$ 1,508,355	
2026	\$ 2,957,544	\$ (945,181)	\$ 2,012,360	\$ (945,181)	\$ 2,012,360	\$ 2,012,360	\$ 657,602	\$ 2,012,360	\$ 138,853	\$ 1,215,905	Year 7 \$ 940,422	
2027	\$ 3,031,479	\$ (940,107)	\$ 2,091,372	\$ (940,107)	\$ 2,091,372	\$ 2,091,372	\$ 683,382	\$ 2,091,372	\$ 144,305	\$ -	\$ 989,815	Year 8 \$ 1,263,686
2028	\$ 3,107,266	\$ (926,469)	\$ 2,171,798	\$ (926,469)	\$ 2,171,798	\$ 2,171,798	\$ 709,023	\$ 2,171,798	\$ 149,854	\$ -	\$ 1,312,321	Year 9 \$ 1,009,975
2029	\$ 3,184,948	\$ (931,278)	\$ 2,253,670	\$ (931,278)	\$ 2,253,670	\$ 2,253,670	\$ 736,336	\$ 2,253,670	\$ 155,503	\$ -	\$ 1,361,831	Year 10 \$ 1,021,951
2030	\$ 3,264,572	\$ (927,545)	\$ 2,337,027	\$ (927,545)	\$ 2,337,027	\$ 2,337,027	\$ 763,533	\$ 2,337,027	\$ 161,255	\$ -	\$ 1,412,239	Year 11 \$ 1,031,090
2031	\$ 3,346,186	\$ (924,282)	\$ 2,421,904	\$ (924,282)	\$ 2,421,904	\$ 2,421,904	\$ 791,227	\$ 2,421,904	\$ 167,111	\$ -	\$ 1,463,566	Year 12 \$ 1,165,238
2032	\$ 3,429,844	\$ (944,021)	\$ 2,485,819	\$ (944,021)	\$ 2,485,819	\$ 2,485,819	\$ 811,548	\$ 2,485,819	\$ 171,522	\$ -	\$ 1,502,750	Year 13 \$ 1,215,905
2033	\$ 3,515,587	\$ (964,285)	\$ 2,551,332	\$ (964,285)	\$ 2,551,332	\$ 2,551,332	\$ 832,334	\$ 2,551,332	\$ 176,042	\$ -	\$ 1,542,356	Year 14 \$ 1,263,686
2034	\$ 3,603,476	\$ (1,004,994)	\$ 2,598,482	\$ (1,004,994)	\$ 2,598,482	\$ 2,598,482	\$ 847,554	\$ 2,598,482	\$ 179,295	\$ -	\$ 1,571,333	Year 15 \$ 1,312,321
2035	\$ 3,683,563	\$ (1,027,867)	\$ 2,665,697	\$ (1,027,867)	\$ 2,665,697	\$ 2,665,697	\$ 883,933	\$ 2,665,697	\$ -	\$ 1,611,523	Year 16 \$ 1,361,831	
2036	\$ 3,775,902	\$ (1,051,311)	\$ 2,734,591	\$ (1,051,311)	\$ 2,734,591	\$ 2,734,591	\$ 892,730	\$ 2,734,591	\$ 188,687	\$ -	\$ 1,653,174	Year 17 \$ 1,412,239
2037	\$ 3,880,550	\$ (1,075,342)	\$ 2,805,208	\$ (1,075,342)	\$ 2,805,208	\$ 2,805,208	\$ 915,782	\$ 2,805,208	\$ 193,559	\$ -	\$ 1,695,866	Year 18 \$ 1,463,566
2038	\$ 3,977,563	\$ (1,099,973)	\$ 2,877,590	\$ (1,099,973)	\$ 2,877,590	\$ 2,877,590	\$ 2,684,031	\$ 2,877,590	\$ 198,554	\$ -	\$ 1,739,626	Year 19 \$ 1,502,750
2039	\$ 4,077,003	\$ (1,125,220)	\$ 2,951,782	\$ (1,125,220)	\$ 2,951,782	\$ 2,951,782	\$ 2,753,229	\$ 2,951,782	\$ 203,673	\$ -	\$ 1,784,479	Year 20 \$ 1,542,356
2040	\$ 4,178,928	\$ (1,151,093)	\$ 3,027,829	\$ (1,151,093)	\$ 3,027,829	\$ 3,027,829	\$ 2,824,156	\$ 3,027,829	\$ 208,920	\$ -	\$ 1,830,454	
2041	\$ 4,283,401	\$ (1,177,624)	\$ 3,105,777	\$ (1,177,624)	\$ 3,105,777	\$ 3,105,777	\$ 2,886,857	\$ 3,105,777	\$ 214,299	\$ -	\$ 1,877,578	
2042	\$ 4,298,343	\$ (1,204,812)	\$ 3,093,531	\$ (1,204,812)	\$ 3,093,531	\$ 3,093,531	\$ 2,879,232	\$ 3,093,531	\$ 213,454	\$ -	\$ 1,872,346	
2043	\$ 4,313,659	\$ (1,232,681)	\$ 3,080,979	\$ (1,232,681)	\$ 3,080,979	\$ 3,080,979	\$ 2,867,525	\$ 3,080,979	\$ 212,588	\$ -	\$ 1,864,758	
Total	\$ 93,005,950	\$ (27,821,250)	\$ 65,383,327	\$ (23,821,250)	\$ 41,562,077	\$ 37,790,197	\$ 13,226,369	\$ 41,562,077	\$ 2,867,783	\$ 6,781,026	\$ 42,507,949	

This takes cash and credit returns based on the total net investment minus the ITC cash grant contribution. Thus this is the unleveraged return using the offsetting of 30% of the capital costs at the beginning of the project.



RENAISSANCE
Engineering & Design

11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines; 20 Year - UNLEVERAGED - After Tax Returns - ITC TAKEN AS CREDIT NOT CASH - FULL DEPRECIATION

Year	TOTAL REVENUES	TOTAL EXPENSES	With No Debt Net INCOME - CASH	With Net Debt Net INCOME - CASH	Federal DEPRECIATION EXPENSE	Taxable INCOME - Federal	Taxable (Loss) Income For Expenses Paid	Federal TAXES	State TAXES	Cash Value of TAX CREDITS (NOL)	TOTAL PAYMENTS and STATE TAX CASH AFTER UNLEVERAGED	20 YEAR RETURN
2014	\$ 347,007	\$ (82,009)	\$ 264,998	\$ (6,605,000)	\$ (5,340,002)	\$ (5,340,002)	\$ (9,834,001)	\$ (5,340,002)	\$ (368,460)	\$ 10,202,461	\$ 264,998	\$ 29,500,000
2015	\$ 2,128,282	\$ (707,990)	\$ 1,420,272	\$ (8,968,000)	\$ (7,547,728)	\$ (7,547,728)	\$ (2,641,705)	\$ (7,547,728)	\$ (520,793)	\$ 1,162,498	\$ 1,422,784	\$ -
2016	\$ 2,181,488	\$ (708,684)	\$ 1,472,784	\$ (5,380,800)	\$ (3,908,016)	\$ (3,908,016)	\$ (1,367,805)	\$ (3,908,016)	\$ (289,653)	\$ 1,637,459	\$ 1,422,784	\$ 29,500,000
2017	\$ 2,236,005	\$ (709,676)	\$ 1,526,329	\$ (3,228,480)	\$ (1,702,151)	\$ (1,702,151)	\$ (595,753)	\$ (1,702,151)	\$ (117,448)	\$ 713,201	\$ 1,526,329	INVESTMENT: RETURN CALC
2018	\$ 2,291,905	\$ (710,975)	\$ 1,550,930	\$ (3,228,480)	\$ (1,647,550)	\$ (1,647,550)	\$ (576,642)	\$ (1,647,550)	\$ (113,681)	\$ 690,323	\$ 1,580,930	
2019	\$ 2,349,203	\$ (742,588)	\$ 1,606,615	\$ (1,614,240)	\$ (7,625)	\$ (7,625)	\$ (2,669)	\$ (7,625)	\$ (526)	\$ 3,195	\$ 1,606,615	Year 0 (\$ 29,500,000)
2020	\$ 2,407,933	\$ (799,055)	\$ 1,668,878	\$ 1,608,878	\$ 1,608,878	\$ 1,608,878	\$ 563,107	\$ 1,608,878	\$ 111,013	-	\$ 934,758	Year 1 \$ 10,467,459
2021	\$ 2,468,131	\$ (831,366)	\$ 1,636,765	\$ 1,636,765	\$ 1,525,753	\$ 1,525,753	\$ 534,013	\$ 1,636,765	\$ 112,937	-	\$ 989,815	Year 2 \$ 4,582,770
2022	\$ 2,529,835	\$ (859,530)	\$ 1,670,305	\$ 1,670,305	\$ 1,557,368	\$ 1,557,368	\$ 545,079	\$ 1,670,305	\$ 115,251	-	\$ 1,009,975	Year 3 \$ 3,110,243
2023	\$ 2,593,081	\$ (903,556)	\$ 1,689,524	\$ 1,689,524	\$ 1,574,273	\$ 1,574,273	\$ 550,906	\$ 1,689,524	\$ 116,777	-	\$ 1,021,951	Year 4 \$ 2,239,530
2024	\$ 2,657,908	\$ (953,454)	\$ 1,704,454	\$ 1,704,454	\$ 1,587,877	\$ 1,587,877	\$ 555,737	\$ 1,704,454	\$ 117,607	-	\$ 1,031,090	Year 5 \$ 2,271,254
2025	\$ 2,885,406	\$ (950,681)	\$ 1,934,725	\$ 1,934,725	\$ 1,817,117	\$ 1,817,117	\$ 635,991	\$ 1,934,725	\$ 133,496	-	\$ 1,165,238	Year 6 \$ 1,609,810
2026	\$ 2,957,541	\$ (945,181)	\$ 2,012,360	\$ 2,012,360	\$ 1,878,864	\$ 1,878,864	\$ 657,602	\$ 2,012,360	\$ 138,853	-	\$ 1,215,905	Year 7 \$ 934,758
2027	\$ 3,031,479	\$ (940,107)	\$ 2,091,372	\$ 2,091,372	\$ 1,952,520	\$ 1,952,520	\$ 683,322	\$ 2,091,372	\$ 144,305	-	\$ 1,263,686	Year 8 \$ 989,815
2028	\$ 3,107,296	\$ (935,469)	\$ 2,171,798	\$ 2,171,798	\$ 2,027,493	\$ 2,027,493	\$ 709,623	\$ 2,171,798	\$ 149,504	-	\$ 1,312,321	Year 9 \$ 1,009,975
2029	\$ 3,184,948	\$ (931,278)	\$ 2,253,670	\$ 2,253,670	\$ 2,103,816	\$ 2,103,816	\$ 736,336	\$ 2,253,670	\$ 155,503	-	\$ 1,361,831	Year 10 \$ 1,021,951
2030	\$ 3,264,572	\$ (927,545)	\$ 2,337,027	\$ 2,337,027	\$ 2,181,524	\$ 2,181,524	\$ 763,533	\$ 2,337,027	\$ 161,255	-	\$ 1,412,239	Year 11 \$ 1,031,090
2031	\$ 3,346,136	\$ (924,282)	\$ 2,421,904	\$ 2,421,904	\$ 2,260,649	\$ 2,260,649	\$ 791,227	\$ 2,421,904	\$ 167,111	-	\$ 1,463,566	Year 12 \$ 1,165,238
2032	\$ 3,429,841	\$ (944,024)	\$ 2,485,819	\$ 2,485,819	\$ 2,318,708	\$ 2,318,708	\$ 811,548	\$ 2,485,819	\$ 171,522	-	\$ 1,502,750	Year 13 \$ 1,215,905
2033	\$ 3,515,587	\$ (964,255)	\$ 2,551,332	\$ 2,551,332	\$ 2,379,810	\$ 2,379,810	\$ 832,944	\$ 2,551,332	\$ 176,042	-	\$ 1,542,356	Year 14 \$ 1,263,686
2034	\$ 3,603,476	\$ (1,004,994)	\$ 2,598,482	\$ 2,598,482	\$ 2,422,440	\$ 2,422,440	\$ 847,854	\$ 2,598,482	\$ 179,295	-	\$ 1,571,333	Year 15 \$ 1,312,321
2035	\$ 3,693,583	\$ (1,027,867)	\$ 2,665,697	\$ 2,665,697	\$ 2,486,401	\$ 2,486,401	\$ 870,240	\$ 2,665,697	\$ 183,933	-	\$ 1,611,523	Year 16 \$ 1,361,831
2036	\$ 3,785,902	\$ (1,051,311)	\$ 2,734,591	\$ 2,734,591	\$ 2,550,658	\$ 2,550,658	\$ 892,730	\$ 2,734,591	\$ 188,687	-	\$ 1,653,174	Year 17 \$ 1,412,239
2037	\$ 3,880,550	\$ (1,075,342)	\$ 2,805,208	\$ 2,805,208	\$ 2,616,521	\$ 2,616,521	\$ 915,732	\$ 2,805,208	\$ 193,559	-	\$ 1,695,866	Year 18 \$ 1,463,566
2038	\$ 3,977,553	\$ (1,099,973)	\$ 2,877,590	\$ 2,877,590	\$ 2,684,031	\$ 2,684,031	\$ 939,411	\$ 2,877,590	\$ 198,554	-	\$ 1,739,626	Year 19 \$ 1,502,750
2039	\$ 4,077,003	\$ (1,125,220)	\$ 2,951,782	\$ 2,951,782	\$ 2,753,229	\$ 2,753,229	\$ 963,630	\$ 2,951,782	\$ 203,673	-	\$ 1,784,749	Year 20 \$ 1,542,356
2040	\$ 4,178,938	\$ (1,151,099)	\$ 3,027,829	\$ 3,027,829	\$ 2,824,156	\$ 2,824,156	\$ 988,455	\$ 3,027,829	\$ 208,920	-	\$ 1,830,454	
2041	\$ 4,283,401	\$ (1,177,624)	\$ 3,105,777	\$ 3,105,777	\$ 2,896,887	\$ 2,896,887	\$ 1,013,900	\$ 3,105,777	\$ 214,299	-	\$ 1,877,578	
2042	\$ 4,298,343	\$ (1,204,812)	\$ 3,093,531	\$ 3,093,531	\$ 2,879,232	\$ 2,879,232	\$ 1,007,731	\$ 3,093,531	\$ 213,454	-	\$ 1,872,346	
2043	\$ 4,313,639	\$ (1,232,681)	\$ 3,080,979	\$ 3,080,979	\$ 2,867,525	\$ 2,867,525	\$ 1,003,634	\$ 3,080,979	\$ 212,588	-	\$ 1,884,758	
Total	\$ 93,005,950	\$ (27,622,623)	\$ 65,383,327	\$ 37,358,327	\$ 33,602,628	\$ 33,602,628	\$ 3,795,920	\$ 37,358,327	\$ 2,577,725	\$ 16,409,137	\$ 42,600,545	5.6%

This assumes a 30% ITC taken as a credit so there is no discount on the allowable amount of depreciation. This is the most valuable scenario but still requires an investor that can fully utilize such substantial State and Federal Credits each year they are generated as if they are cash.

11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines; 20 Year - UNLEVERAGED - After Tax Returns - ITC TAKEN AS CREDIT NOT CASH - FULL DEPRECIATION

Year	TOTAL REVENUES	TOTAL EXPENSES With NO DEBT	Net INCOME - CASH With NO DEBT	Depreciation Expense	Federal Income Tax Paid (Loss) Income Payable	Federal Expenses Paid (Loss) Income Payable	Federal Tax Credit Income Payable	State Tax Credit (Loss) Income Payable	PTC Production Tax Credit Value of Tax Credits	TOTAL PAYMENTS AND STATE CREDITS (NOL) and STATE TAX PAYMENTS AFTER TAX CREDITS	20 YEAR RETURN UNLEVERAGED
2014	\$ 347,007	\$ (82,009)	\$ 264,998	\$ (5,605,000)	\$ (5,340,002)	\$ (1,869,001)	\$ (5,340,002)	\$ (368,460)	\$ (112,823)	\$ 2,350,264	\$ 264,998
2015	\$ 2,238,262	\$ (707,990)	\$ 1,420,272	\$ (8,968,000)	\$ (7,547,728)	\$ (2,641,705)	\$ (7,547,728)	\$ (520,793)	\$ (691,968)	\$ 3,884,466	\$ 1,420,272
2016	\$ 2,181,466	\$ (708,664)	\$ 1,472,764	\$ (5,380,800)	\$ (3,908,016)	\$ (9,081,016)	\$ (1,367,805)	\$ (3,908,016)	\$ (269,655)	\$ (709,267)	\$ 2,346,725
2017	\$ 2,236,005	\$ (709,676)	\$ 1,526,329	\$ (3,228,480)	\$ (1,702,151)	\$ (1,702,151)	\$ (595,753)	\$ (1,702,151)	\$ (117,448)	\$ (726,999)	\$ 1,440,200
2018	\$ 2,281,905	\$ (710,975)	\$ 1,580,930	\$ (3,228,480)	\$ (1,647,550)	\$ (1,647,550)	\$ (576,642)	\$ (1,647,550)	\$ (113,681)	\$ (745,174)	\$ 1,435,497
2019	\$ 2,349,203	\$ (742,588)	\$ 1,606,615	\$ (1,614,240)	\$ (7,625)	\$ (7,625)	\$ (2,669)	\$ (7,625)	\$ (526)	\$ (763,803)	\$ 766,988
2020	\$ 2,407,933	\$ (799,055)	\$ 1,608,878	\$ 1,608,878	\$ 1,608,878	\$ 563,107	\$ 1,608,878	\$ 111,013	\$ (792,886)	\$ 782,886	\$ 934,758
2021	\$ 2,468,131	\$ (831,366)	\$ 1,636,765	\$ 1,636,765	\$ 1,636,765	\$ 534,013	\$ 1,636,765	\$ 112,937	\$ (802,470)	\$ 802,470	\$ 989,815
2022	\$ 2,529,856	\$ (859,530)	\$ 1,670,305	\$ 1,670,305	\$ 1,670,305	\$ 545,079	\$ 1,670,305	\$ 115,251	\$ (822,532)	\$ 822,532	\$ 1,099,975
2023	\$ 2,593,081	\$ (903,556)	\$ 1,689,524	\$ 1,689,524	\$ 1,689,524	\$ 550,936	\$ 1,689,524	\$ 116,577	\$ (843,095)	\$ 843,095	\$ 1,021,951
2024	\$ 2,657,908	\$ (953,454)	\$ 1,704,454	\$ 1,704,454	\$ 1,587,877	\$ 555,757	\$ 1,704,454	\$ 117,607	\$ (792,156)	\$ 792,156	\$ 1,031,090
2025	\$ 2,885,406	\$ (950,681)	\$ 1,934,725	\$ 1,934,725	\$ 1,817,117	\$ 635,991	\$ 1,934,725	\$ 133,496	\$ -	\$ 1,165,238	\$ 2,373,613
2026	\$ 2,987,541	\$ (945,181)	\$ 2,012,360	\$ 2,012,360	\$ 1,878,864	\$ 657,602	\$ 2,012,360	\$ 138,853	\$ -	\$ 1,215,905	\$ 1,717,656
2027	\$ 3,031,479	\$ (940,107)	\$ 2,091,372	\$ 2,091,372	\$ 1,952,320	\$ 663,382	\$ 2,091,372	\$ 144,305	\$ -	\$ 1,263,686	\$ 1,792,285
2028	\$ 3,107,266	\$ (935,469)	\$ 2,171,798	\$ 2,171,798	\$ 2,027,493	\$ 709,623	\$ 2,171,798	\$ 149,854	\$ -	\$ 1,312,321	\$ 1,832,507
2029	\$ 3,184,948	\$ (931,278)	\$ 2,283,670	\$ 2,283,670	\$ 2,103,816	\$ 726,336	\$ 2,283,670	\$ 155,503	\$ -	\$ 1,361,831	\$ 1,865,047
2030	\$ 3,284,572	\$ (927,545)	\$ 2,337,027	\$ 2,337,027	\$ 2,181,524	\$ 763,533	\$ 2,337,027	\$ 161,255	\$ -	\$ 1,412,239	\$ 1,823,248
2031	\$ 3,346,186	\$ (924,282)	\$ 2,421,904	\$ 2,421,904	\$ 2,260,649	\$ 791,227	\$ 2,421,904	\$ 167,111	\$ -	\$ 1,463,566	\$ 1,165,238
2032	\$ 3,489,841	\$ (944,021)	\$ 2,485,819	\$ 2,485,819	\$ 2,318,708	\$ 811,548	\$ 2,485,819	\$ 171,522	\$ -	\$ 1,502,750	\$ 1,215,905
2033	\$ 3,510,587	\$ (964,295)	\$ 2,551,332	\$ 2,551,332	\$ 2,379,810	\$ 832,934	\$ 2,551,332	\$ 176,042	\$ -	\$ 1,542,756	\$ 1,263,686
2034	\$ 3,603,476	\$ (1,004,994)	\$ 2,598,482	\$ 2,422,440	\$ 2,422,440	\$ 847,854	\$ 2,598,482	\$ 179,295	\$ -	\$ 1,571,333	\$ 1,312,321
2035	\$ 3,693,563	\$ (1,027,867)	\$ 2,665,697	\$ 2,486,401	\$ 2,486,401	\$ 870,240	\$ 2,665,697	\$ 183,938	\$ -	\$ 1,611,523	\$ 1,361,831
2036	\$ 3,785,902	\$ (1,051,314)	\$ 2,734,591	\$ 2,550,658	\$ 2,550,658	\$ 892,730	\$ 2,734,591	\$ 188,687	\$ -	\$ 1,653,174	\$ 1,412,239
2037	\$ 3,880,550	\$ (1,075,342)	\$ 2,805,208	\$ 2,805,208	\$ 2,616,521	\$ 915,782	\$ 2,805,208	\$ 193,559	\$ -	\$ 1,695,866	\$ 1,463,566
2038	\$ 3,977,563	\$ (1,098,973)	\$ 2,877,590	\$ 2,877,590	\$ 2,684,031	\$ 939,411	\$ 2,877,590	\$ 198,554	\$ -	\$ 1,739,626	\$ 1,502,750
2039	\$ 4,077,003	\$ (1,125,220)	\$ 2,951,782	\$ 2,753,229	\$ 2,753,229	\$ 963,630	\$ 2,951,782	\$ 203,673	\$ -	\$ 1,784,479	\$ 1,542,356
2040	\$ 4,178,928	\$ (1,151,099)	\$ 3,027,829	\$ 2,824,156	\$ 2,824,156	\$ 984,455	\$ 3,027,829	\$ 208,920	\$ -	\$ 1,830,454	\$ 1,784,479
2041	\$ 4,283,401	\$ (1,177,624)	\$ 3,105,777	\$ 2,896,857	\$ 2,896,857	\$ 1,013,900	\$ 3,105,777	\$ 214,299	\$ -	\$ 1,877,578	\$ 1,830,454
2042	\$ 4,298,349	\$ (1,204,812)	\$ 3,093,531	\$ 2,879,232	\$ 2,879,232	\$ 1,007,731	\$ 3,093,531	\$ 213,454	\$ -	\$ 1,872,346	\$ 1,872,346
2043	\$ 4,313,659	\$ (1,232,681)	\$ 3,080,979	\$ 3,080,979	\$ 1,003,634	\$ 3,080,979	\$ 212,588	\$ -	\$ 1,884,758	\$ 4.5%	\$ 4.5%
Total	\$ 93,015,950	\$ 65,383,327	\$ (27,622,623)	\$ (28,025,000)	\$ 37,358,327	\$ 33,602,628	\$ 11,760,920	\$ 37,358,327	\$ 16,237,324	\$ 42,600,545	

This is the total UNLEVERAGED RETURN calculation taking the total project cost with no offsetting grants or ITC and fully utilizing depreciation and Production Tax Credits over a period of ten years as they are generated.

11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines; 20 Year - LEVERAGED - After Tax Returns

Year	TOTAL REVENUES	TOTAL EXPENSES	NET CASH - CASH Flow	NET INCOME - Debt Backed Income	FEDERAL EXPENSE	TAXABLE INCOME	FEDERAL TAX PAYABLE	STATE TAX PAYABLE	CAPITAL PAYABLE	STATE VALUE OF NOL	STATE TAXES (NOL) AND FEDERAL TAXES (LOSS) WITH CREDIT	TOTAL CASH AFTER TAXES	20 YEAR RETURN
2014	\$ 347,007	\$ (293,357)	\$ 53,650	\$ (4,764,250)	\$ (4,646,593)	\$ (4,646,593)	\$ (1,626,307)	\$ (4,646,593)	\$ (320,615)	\$ 1,946,922	\$ 29,500,000	\$ 53,650	Total Project:
2015	\$ 2,128,282	\$ (1,976,073)	\$ 152,189	\$ 549,932	\$ (7,622,800)	\$ (7,072,868)	\$ (2,475,504)	\$ (7,072,868)	\$ (488,028)	\$ 2,963,532	\$ 152,189	\$ (7,965,000)	Total Grants:
2016	\$ 2,126,468	\$ (1,976,767)	\$ 204,701	\$ 626,977	\$ (4,573,680)	\$ (3,946,103)	\$ (1,381,346)	\$ (3,946,703)	\$ (72,323)	\$ 1,653,669	\$ 204,701	\$ (14,750,000)	Total Debt:
2017	\$ 2,126,005	\$ (1,977,759)	\$ 286,246	\$ 706,556	\$ (2,744,203)	\$ (2,037,742)	\$ (713,175)	\$ (2,037,742)	\$ (140,597)	\$ 236,226	\$ 236,226	\$ 6,785,000	INVESTMENT:
2018	\$ 2,291,905	\$ (1,979,908)	\$ 312,847	\$ 788,819	\$ (2,744,203)	\$ (1,955,389)	\$ (1,955,389)	\$ (1,955,389)	\$ (140,597)	\$ 819,308	\$ 312,847	\$ (6,785,000)	RETURN CALC:
2019	\$ 2,349,203	\$ (2,010,671)	\$ 338,532	\$ 843,880	\$ (1,372,104)	\$ (528,244)	\$ (528,244)	\$ (184,885)	\$ (36,449)	\$ 221,334	\$ 338,532	\$ (2,005,573)	Year 0
2020	\$ 2,407,933	\$ (2,067,713)	\$ 340,795	\$ 877,291	\$ 877,291	\$ 877,291	\$ 307,052	\$ 877,291	\$ 60,533	\$ (26,790)	Year 1	\$ 3,115,720	Year 1
2021	\$ 2,458,151	\$ (2,099,449)	\$ 368,682	\$ 938,268	\$ 938,268	\$ 877,735	\$ 307,207	\$ 938,268	\$ 64,741	\$ (3,285)	Year 2	\$ 1,856,370	Year 2
2022	\$ 2,529,835	\$ (2,127,613)	\$ 402,222	\$ 1,006,938	\$ 1,006,938	\$ 944,198	\$ 329,769	\$ 944,198	\$ 69,479	\$ (2,974)	Year 3	\$ 2,974	Year 3
2023	\$ 2,593,081	\$ (2,171,659)	\$ 421,441	\$ 1,063,455	\$ 1,063,455	\$ 953,977	\$ 347,892	\$ 953,977	\$ 75,378	\$ (1,120,171)	Year 4	\$ 1,120,171	Year 4
2024	\$ 2,657,908	\$ (2,221,537)	\$ 436,371	\$ 1,117,933	\$ 1,117,933	\$ 1,044,005	\$ 365,612	\$ 1,117,933	\$ 77,141	\$ (6,332)	Year 5	\$ 1,132,156	Year 5
2025	\$ 2,885,406	\$ (2,218,764)	\$ 666,642	\$ 1,390,294	\$ 1,390,294	\$ 1,313,153	\$ 459,604	\$ 1,390,294	\$ 96,930	\$ (559,866)	Year 6	\$ 111,108	Year 6
2026	\$ 2,937,541	\$ (2,213,264)	\$ 744,277	\$ 1,512,562	\$ 1,512,562	\$ 1,416,632	\$ 495,821	\$ 1,512,562	\$ 104,367	\$ (267,90)	Year 7	\$ 144,089	Year 7
2027	\$ 3,031,479	\$ (2,208,190)	\$ 823,289	\$ 1,638,962	\$ 1,638,962	\$ 1,534,595	\$ 537,108	\$ 1,638,962	\$ 113,088	\$ (173,093)	Year 8	\$ (3,265)	Year 8
2028	\$ 3,107,266	\$ (2,203,552)	\$ 903,715	\$ 1,769,636	\$ 1,769,636	\$ 1,656,607	\$ 579,813	\$ 1,769,636	\$ 122,109	\$ (201,793)	Year 9	\$ 2,974	Year 9
2029	\$ 3,184,985	\$ (2,199,360)	\$ 395,587	\$ 1,904,985	\$ 1,904,985	\$ 1,787,171	\$ 624,000	\$ 1,904,985	\$ 131,444	\$ (230,139)	Year 10	\$ 177	Year 10
2030	\$ 3,284,572	\$ (2,195,628)	\$ 1,068,944	\$ 2,045,043	\$ 2,045,043	\$ 1,913,599	\$ 669,760	\$ 2,045,043	\$ 141,018	\$ (288,076)	Year 11	\$ (6,382)	Year 11
2031	\$ 3,436,186	\$ (2,192,365)	\$ 1,153,821	\$ 2,190,124	\$ 2,190,124	\$ 2,049,016	\$ 717,156	\$ 2,190,124	\$ 151,119	\$ (285,547)	Year 12	\$ 111,108	Year 12
2032	\$ 3,429,841	\$ (2,212,104)	\$ 2,121,736	\$ 2,317,956	\$ 2,317,956	\$ 2,166,533	\$ 758,393	\$ 2,317,956	\$ 159,939	\$ (299,404)	Year 13	\$ 144,089	Year 13
2033	\$ 3,515,687	\$ (2,232,338)	\$ 1,283,338	\$ 2,451,327	\$ 2,451,327	\$ 2,291,338	\$ 801,986	\$ 2,451,327	\$ 169,142	\$ (312,121)	Year 14	\$ 173,093	Year 14
2034	\$ 3,603,476	\$ (2,061,730)	\$ 1,541,747	\$ 2,569,994	\$ 2,569,994	\$ 2,400,852	\$ 988,994	\$ 2,569,994	\$ 177,330	\$ (201,793)	Year 15	\$ 201,793	Year 15
2035	\$ 3,693,563	\$ (1,027,867)	\$ 2,665,697	\$ 2,665,697	\$ 2,665,697	\$ 2,486,367	\$ 870,926	\$ 2,665,697	\$ 185,933	\$ (1,610,855)	Year 16	\$ 185,933	Year 16
2036	\$ 3,785,902	\$ (1,051,311)	\$ 2,734,591	\$ 2,734,591	\$ 2,734,591	\$ 2,560,558	\$ 892,730	\$ 2,734,591	\$ 188,687	\$ (1,653,774)	Year 17	\$ 256,076	Year 17
2037	\$ 3,880,550	\$ (1,075,342)	\$ 2,805,208	\$ 2,805,208	\$ 2,805,208	\$ 2,616,521	\$ 915,782	\$ 2,805,208	\$ 193,559	\$ (1,695,866)	Year 18	\$ 285,547	Year 18
2038	\$ 3,977,553	\$ (1,099,973)	\$ 2,877,550	\$ 2,877,550	\$ 2,877,550	\$ 2,684,031	\$ 939,411	\$ 2,877,550	\$ 198,554	\$ (1,739,626)	Year 19	\$ 299,404	Year 19
2039	\$ 4,077,063	\$ (1,125,220)	\$ 2,951,782	\$ 2,951,782	\$ 2,951,782	\$ 2,753,229	\$ 963,630	\$ 2,951,782	\$ 203,673	\$ (312,121)	Year 20	\$ 312,121	Year 20
2040	\$ 4,183,401	\$ (1,151,099)	\$ 3,027,829	\$ 3,027,829	\$ 3,027,829	\$ 2,824,156	\$ 988,485	\$ 3,027,829	\$ 208,920	\$ 1,830,454			
2041	\$ 4,283,401	\$ (1,177,624)	\$ 3,105,777	\$ 3,105,777	\$ 3,105,777	\$ 2,896,557	\$ 1,013,900	\$ 3,105,777	\$ 214,299	\$ 1,877,578			
2042	\$ 4,288,343	\$ (1,204,812)	\$ 3,093,531	\$ 3,093,531	\$ 3,093,531	\$ 2,879,322	\$ 1,007,731	\$ 3,093,531	\$ 213,454	\$ 1,872,346			
2043	\$ 4,313,659	\$ (1,232,881)	\$ 3,080,979	\$ 3,080,979	\$ 3,080,979	\$ 2,867,125	\$ 1,003,634	\$ 3,080,979	\$ 212,588	\$ 1,864,758			
Total	\$ 93,005,950	\$ (52,384,283)	\$ 40,021,668	\$ 54,771,668	\$ 30,950,418	\$ 27,834,493	\$ 9,672,073	\$ 30,950,418	\$ 213,557	\$ 8,458,537	\$ 197,554,79		

With leverage two key things happen to drive the IRR. The first one is the very small amount of capital invested, and the second is an increase in Federal and State tax credits for the deduction based on interest on the debt payments. The problem of course is the debt payments end up consuming a huge amount of the total cash flow which amplifies the debt payments than it does in cash. The investors know this and in fact the cash can become so tight that there may not be enough to pay the taxes depending on how the expenses line up and how steep the debt amounts are negotiated.

11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines;

20 Year - LEVERAGED - After Tax Returns - FULL DEPRECIATION ITC TAKEN AS TAX CREDIT

Year	TOTAL REVENUES	TOTAL EXPENSES including Debt Pmts	NET CASH - CASH Flows after Debt Pmts	NET INCOME Debt Principle Back	Federal Income Expense Paid	Taxable Income (Loss) Deductible ITC	Federal Tax Expense Paid (Loss) Deductible ITC	Taxable Income State Tax (Loss) Deductible ITC	Federal State Tax Expense Paid (Loss) Deductible ITC	Taxable State Tax (Loss) Deductible ITC	Cash Value of Tax Credits (NOL) and STATE CREDITS DUE	TOTAL CASH AFTER TAXES AND DEBT PAYMENTS	20 YEAR RETURN LEVERAGED
2014	\$ 347,007	\$ (293,357)	\$ 53,1650	\$ 117,667	\$ (5,605,000)	\$ (5,487,343)	\$ (9,885,570)	\$ (5,487,343)	\$ (9,885,570)	\$ (5,487,343)	\$ (378,627)	\$ 10,264,197	\$ 53,650
2015	\$ 2,182,262	\$ (1,976,073)	\$ 152,189	\$ 549,932	\$ (8,968,000)	\$ (8,418,068)	\$ (2,946,324)	\$ (8,418,068)	\$ (2,946,324)	\$ (8,418,068)	\$ (580,847)	\$ 3,527,171	\$ 152,189
2016	\$ 2,181,468	\$ (1,976,073)	\$ 204,701	\$ 626,977	\$ (5,360,800)	\$ (4,755,923)	\$ (4,755,923)	\$ (4,755,923)	\$ (4,755,923)	\$ (4,755,923)	\$ (328,014)	\$ 1,991,852	\$ 204,701
2017	\$ 2,236,005	\$ (1,977,759)	\$ 258,246	\$ 706,566	\$ (3,228,480)	\$ (2,521,914)	\$ (2,521,914)	\$ (2,521,914)	\$ (2,521,914)	\$ (2,521,914)	\$ (174,012)	\$ 1,056,632	\$ 258,246
2018	\$ 2,291,905	\$ (1,979,058)	\$ 312,847	\$ 788,819	\$ (3,228,480)	\$ (2,439,661)	\$ (2,439,661)	\$ (2,439,661)	\$ (2,439,661)	\$ (2,439,661)	\$ (168,337)	\$ 1,022,218	\$ 312,847
2019	\$ 2,349,203	\$ (2,010,871)	\$ 338,552	\$ 843,850	\$ (1,614,240)	\$ (770,380)	\$ (770,380)	\$ (770,380)	\$ (770,380)	\$ (770,380)	\$ (151,156)	\$ 322,789	\$ 338,552
2020	\$ 2,407,933	\$ (2,067,138)	\$ 340,795	\$ 877,251	\$ 877,251	\$ 877,251	\$ 877,251	\$ 877,251	\$ 877,251	\$ 877,251	\$ 60,533	\$ -	\$ (26,790)
2021	\$ 2,468,131	\$ (2,099,449)	\$ 368,682	\$ 938,268	\$ 938,268	\$ 938,268	\$ 938,268	\$ 938,268	\$ 938,268	\$ 938,268	\$ 64,741	\$ -	\$ (3,265)
2022	\$ 2,529,855	\$ (2,127,613)	\$ 402,222	\$ 1,006,938	\$ 1,006,938	\$ 1,006,938	\$ 1,006,938	\$ 1,006,938	\$ 1,006,938	\$ 1,006,938	\$ 68,479	\$ -	\$ (2,196,556)
2023	\$ 2,583,081	\$ (2,171,639)	\$ 421,441	\$ 1,063,455	\$ 1,063,455	\$ 993,977	\$ 993,977	\$ 993,977	\$ 993,977	\$ 993,977	\$ 73,378	\$ -	\$ 2,974
2024	\$ 2,637,908	\$ (2,221,537)	\$ 436,371	\$ 1,117,983	\$ 1,117,983	\$ 1,044,005	\$ 1,044,005	\$ 1,044,005	\$ 1,044,005	\$ 1,044,005	\$ 73,378	\$ -	\$ 1,314,928
2025	\$ 2,805,406	\$ (2,213,264)	\$ 666,642	\$ 1,390,294	\$ 1,390,294	\$ 1,313,573	\$ 1,313,573	\$ 1,313,573	\$ 1,313,573	\$ 1,313,573	\$ -	\$ -	\$ (6,382)
2026	\$ 2,957,541	\$ (2,192,104)	\$ 744,277	\$ 1,512,562	\$ 1,512,562	\$ 1,416,332	\$ 1,416,332	\$ 1,416,332	\$ 1,416,332	\$ 1,416,332	\$ -	\$ -	\$ 661,320
2027	\$ 3,031,479	\$ (2,208,190)	\$ 823,289	\$ 1,638,962	\$ 1,638,962	\$ 1,534,995	\$ 1,534,995	\$ 1,534,995	\$ 1,534,995	\$ 1,534,995	\$ -	\$ -	\$ 104,367
2028	\$ 3,107,286	\$ (2,203,552)	\$ 903,715	\$ 1,769,696	\$ 1,769,696	\$ 1,656,607	\$ 1,656,607	\$ 1,656,607	\$ 1,656,607	\$ 1,656,607	\$ -	\$ -	\$ 104,367
2029	\$ 3,184,948	\$ (2,199,360)	\$ 985,587	\$ 1,904,980	\$ 1,904,980	\$ 1,782,871	\$ 1,782,871	\$ 1,782,871	\$ 1,782,871	\$ 1,782,871	\$ -	\$ -	\$ 104,367
2030	\$ 3,264,572	\$ (2,195,628)	\$ 1,068,944	\$ 2,045,043	\$ 2,045,043	\$ 1,913,599	\$ 1,913,599	\$ 1,913,599	\$ 1,913,599	\$ 1,913,599	\$ -	\$ -	\$ 104,367
2031	\$ 3,349,186	\$ (2,193,841)	\$ 1,153,821	\$ 2,190,124	\$ 2,190,124	\$ 2,046,016	\$ 2,046,016	\$ 2,046,016	\$ 2,046,016	\$ 2,046,016	\$ -	\$ -	\$ 111,108
2032	\$ 3,439,841	\$ (2,192,104)	\$ 1,217,736	\$ 2,317,956	\$ 2,317,956	\$ 2,166,337	\$ 2,166,337	\$ 2,166,337	\$ 2,166,337	\$ 2,166,337	\$ -	\$ -	\$ 144,089
2033	\$ 3,525,587	\$ (2,232,338)	\$ 1,283,249	\$ 2,451,327	\$ 2,451,327	\$ 2,291,388	\$ 2,291,388	\$ 2,291,388	\$ 2,291,388	\$ 2,291,388	\$ -	\$ -	\$ 173,093
2034	\$ 3,613,476	\$ (2,067,173)	\$ 1,541,747	\$ 2,569,994	\$ 2,569,994	\$ 2,400,552	\$ 2,400,552	\$ 2,400,552	\$ 2,400,552	\$ 2,400,552	\$ -	\$ -	\$ 201,793
2035	\$ 3,693,563	\$ (1,027,387)	\$ 2,665,687	\$ 2,665,687	\$ 2,665,687	\$ 2,665,687	\$ 2,665,687	\$ 2,665,687	\$ 2,665,687	\$ 2,665,687	\$ -	\$ -	\$ 230,139
2036	\$ 3,785,902	\$ (1,051,311)	\$ 2,734,591	\$ 2,734,591	\$ 2,550,658	\$ 2,550,658	\$ 2,190,730	\$ 2,190,730	\$ 2,190,730	\$ 2,190,730	\$ -	\$ -	\$ 256,076
2037	\$ 3,870,550	\$ (1,075,342)	\$ 2,805,208	\$ 2,805,208	\$ 2,616,221	\$ 2,616,221	\$ 915,782	\$ 915,782	\$ 915,782	\$ 915,782	\$ -	\$ -	\$ 285,547
2038	\$ 3,957,563	\$ (1,099,973)	\$ 2,877,550	\$ 2,877,550	\$ 2,684,031	\$ 2,684,031	\$ 939,411	\$ 939,411	\$ 939,411	\$ 939,411	\$ -	\$ -	\$ 299,404
2039	\$ 4,077,003	\$ (1,125,220)	\$ 2,951,782	\$ 2,951,782	\$ 2,753,229	\$ 2,753,229	\$ 963,630	\$ 963,630	\$ 963,630	\$ 963,630	\$ -	\$ -	\$ 312,121
2040	\$ 4,178,928	\$ (1,151,098)	\$ 3,027,829	\$ 3,027,829	\$ 2,824,156	\$ 2,824,156	\$ 988,455	\$ 988,455	\$ 988,455	\$ 988,455	\$ -	\$ -	\$ 312,121
2041	\$ 4,283,401	\$ (1,177,624)	\$ 3,105,777	\$ 3,105,777	\$ 2,896,657	\$ 2,896,657	\$ 1,013,900	\$ 1,013,900	\$ 1,013,900	\$ 1,013,900	\$ -	\$ -	\$ 312,121
2042	\$ 4,398,343	\$ (1,204,812)	\$ 3,093,551	\$ 3,093,551	\$ 2,872,323	\$ 2,872,323	\$ 1,007,731	\$ 1,007,731	\$ 1,007,731	\$ 1,007,731	\$ -	\$ -	\$ 312,121
Total	\$ 93,005,950	\$ 62,384,283)	\$ 54,771,668	\$ 40,021,668	\$ 26,746,668	\$ 23,430,743	\$ 23,430,743	\$ 23,430,743	\$ 23,430,743	\$ 23,430,743	\$ 18,184,909	\$ 18,184,909	\$ 19,755,479

With leverage two key things happen to drive the IRR. The first one is the very small amount of capital invested relative to the total of all the credits (and the small amount of cash), and the second is an increase in Federal and State tax credits for the deduction based on interest on the debt payments. The problem of course is the debt payments end up consuming a huge amount of the total cash flow which amplifies the point that the wind project makes more money in credits than it does in cash. This makes financing problematic on the merits of the project cash flow since debt coverage ratios get tight. The investors know this and in fact the cash is going to be so tight that there may not be enough to pay the taxes depending on how the expenses line up and how steep the debt amount and interest amounts are negotiated so the investor plans to make up the cash shortfalls in exchange for the tax credits which drive the investment decision in the first place.

11 MW Malmstrom Wind Project; (6) 1.80-MW Wind Turbines; 20 Year - LEVERAGED - After Tax Returns - FULL DEPRECIATION ITC TAKEN AS TAX CREDIT

Year	TOTAL REVENUES	NET INCOME Debt Premiums After Debt	FEDERAL EXPENSES	NET CASH - CASH Flows After Debt Payments	NET CASH - CASH Flows After Debt Payments	FEDERAL EXPENSE	TAXABLE INCOME (Loss)	GENERAL FEDERAL TAXES PAID	GENERAL STATE TAXES PAID	GENERAL LOCAL TAXES PAID	STATE TAX PAYABLE (Loss)	CREDIT VALUE OF TAX CASH FLOW (NOU)	TOTAL CASH AFTER TAXES AND DEBT	STAKEHOLDERS TOTAL CASH AFTER TAXES AND DEBT	20 YEAR RETURN	
2014	\$ 347,007	\$ (293,357)	\$ 53,650	\$ 117,657	\$ (5,605,000)	\$ (5,487,343)	\$ (1,920,570)	\$ (5,487,343)	\$ (378,627)	\$ (112,823)	\$ 2,412,020	\$ 53,350	\$ 29,500,000	\$ 29,500,000	-	
2015	\$ 2,128,468	\$ (1,976,167)	\$ 152,189	\$ 549,932	\$ 120,701	\$ (5,380,800)	\$ (4,753,323)	\$ (1,663,838)	\$ (4,753,233)	\$ (709,267)	\$ 2,701,119	\$ 204,701	\$ 162,189	\$ 4,219,138	\$ (580,847)	-
2016	\$ 2,181,468	\$ (1,976,167)	\$ 626,977	\$ 626,977	\$ 256,246	\$ (5,228,480)	\$ (2,521,914)	\$ (882,670)	\$ (2,521,914)	\$ (726,999)	\$ 1,783,681	\$ 258,246	\$ 14,750,000	\$ 14,750,000	-	
2017	\$ 2,236,005	\$ (1,977,759)	\$ 706,566	\$ 706,566	\$ 312,847	\$ (2,439,667)	\$ (2,439,667)	\$ (853,881)	\$ (2,439,661)	\$ (168,337)	\$ (745,174)	\$ 1,783,681	\$ 14,750,000	\$ 14,750,000	RETURNS CALC	
2018	\$ 2,291,905	\$ (1,979,158)	\$ 788,819	\$ 338,532	\$ 843,860	\$ (1,614,240)	\$ (770,380)	\$ (269,633)	\$ (770,380)	\$ (653,156)	\$ (763,803)	\$ 1,086,582	\$ 338,532	\$ 14,750,000	\$ 14,750,000	Year 0
2019	\$ 2,349,203	\$ (2,010,971)	\$ 332,877	\$ 877,291	\$ 877,291	\$ 877,291	\$ 877,291	\$ 307,052	\$ 877,291	\$ 60,533	\$ (782,889)	\$ 782,889	\$ 26,179	\$ 2,465,670	\$ 2,465,670	Year 1
2020	\$ 2,407,333	\$ (2,067,130)	\$ 340,795	\$ 340,795	\$ 368,682	\$ 802,470	\$ 802,470	\$ 64,741	\$ 802,470	\$ 822,532	\$ 822,532	\$ 825,506	\$ 4,371,327	\$ 4,371,327	Year 2	
2021	\$ 2,468,131	\$ (2,099,449)	\$ 348,222	\$ 1,006,938	\$ 1,006,938	\$ 942,198	\$ 942,198	\$ 329,769	\$ 1,006,938	\$ 69,479	\$ 822,532	\$ 822,532	\$ 2,974	\$ 2,905,820	\$ 2,905,820	Year 3
2022	\$ 2,529,335	\$ (2,127,613)	\$ 402,222	\$ 1,063,455	\$ 1,063,455	\$ 983,977	\$ 983,977	\$ 347,892	\$ 1,063,455	\$ 843,095	\$ 843,095	\$ 843,095	\$ 171	\$ 2,041,926	\$ 2,041,926	Year 4
2023	\$ 2,589,981	\$ (2,171,639)	\$ 421,441	\$ 1,063,455	\$ 1,063,455	\$ 1,117,385	\$ 1,117,385	\$ 365,612	\$ 1,117,385	\$ 792,156	\$ (792,156)	\$ 792,156	\$ 171	\$ 2,080,239	\$ 2,080,239	Year 5
2024	\$ 2,557,908	\$ (2,221,157)	\$ 456,371	\$ 1,177,983	\$ 1,177,983	\$ 1,390,294	\$ 1,390,294	\$ 1,313,153	\$ 1,390,294	\$ 459,604	\$ 459,604	\$ 95,930	\$ -	\$ 111,108	\$ 111,108	Year 6
2025	\$ 2,585,406	\$ (2,218,164)	\$ 666,642	\$ 1,390,294	\$ 1,390,294	\$ 1,512,562	\$ 1,512,562	\$ 495,821	\$ 1,512,562	\$ 1,043,367	\$ -	\$ 144,089	\$ -	\$ 756,108	\$ 756,108	Year 7
2026	\$ 2,957,841	\$ (2,215,264)	\$ 744,277	\$ 1,512,562	\$ 1,512,562	\$ 1,638,962	\$ 1,638,962	\$ 537,108	\$ 1,638,962	\$ 1,638,962	\$ -	\$ 173,093	\$ -	\$ 799,205	\$ 799,205	Year 8
2027	\$ 3,031,479	\$ (2,208,190)	\$ 823,269	\$ 1,638,962	\$ 1,638,962	\$ 1,769,595	\$ 1,769,595	\$ 1,656,607	\$ 1,769,595	\$ 1,769,595	\$ -	\$ 201,793	\$ -	\$ 825,506	\$ 825,506	Year 9
2028	\$ 3,107,266	\$ (2,203,352)	\$ 903,715	\$ 1,769,696	\$ 1,769,696	\$ 1,904,980	\$ 1,904,980	\$ 1,782,871	\$ 1,904,980	\$ 624,005	\$ 624,005	\$ 1,144,444	\$ -	\$ 230,139	\$ 230,139	Year 10
2029	\$ 2,948,948	\$ (2,199,360)	\$ 985,587	\$ 1,904,980	\$ 1,904,980	\$ 2,045,043	\$ 2,045,043	\$ 1,913,599	\$ 2,045,043	\$ 669,760	\$ 669,760	\$ 141,043	\$ -	\$ 258,076	\$ 258,076	Year 11
2030	\$ 2,264,572	\$ (2,195,328)	\$ 1,068,944	\$ 2,045,043	\$ 2,045,043	\$ 2,190,124	\$ 2,190,124	\$ 2,049,016	\$ 2,190,124	\$ 717,156	\$ 717,156	\$ 151,119	\$ -	\$ 285,547	\$ 285,547	Year 12
2031	\$ 2,346,186	\$ (2,192,365)	\$ 1,153,821	\$ 2,190,124	\$ 2,190,124	\$ 2,217,736	\$ 2,217,736	\$ 2,166,837	\$ 2,217,736	\$ 758,333	\$ 758,333	\$ 144,089	\$ -	\$ 289,404	\$ 289,404	Year 13
2032	\$ 2,424,841	\$ (2,212,104)	\$ 1,243,338	\$ 2,217,736	\$ 2,217,736	\$ 2,283,249	\$ 2,283,249	\$ 2,451,327	\$ 2,283,249	\$ 801,986	\$ 801,986	\$ 2,451,327	\$ -	\$ 312,121	\$ 312,121	Year 14
2033	\$ 3,515,887	\$ (2,205,190)	\$ 1,205,770	\$ 2,451,327	\$ 2,451,327	\$ 2,658,994	\$ 2,658,994	\$ 2,400,862	\$ 2,658,994	\$ 840,298	\$ 840,298	\$ 2,658,994	\$ -	\$ 312,121	\$ 312,121	Year 15
2034	\$ 3,003,476	\$ (2,061,730)	\$ 1,541,747	\$ 2,658,994	\$ 2,658,994	\$ 2,665,697	\$ 2,665,697	\$ 2,488,367	\$ 2,665,697	\$ 870,928	\$ 870,928	\$ 1,683,933	\$ -	\$ 1,610,335	\$ 1,610,335	Year 16
2035	\$ 3,489,363	\$ (1,027,347)	\$ 1,051,311	\$ 2,734,591	\$ 2,734,591	\$ 2,734,591	\$ 2,734,591	\$ 2,550,658	\$ 2,734,591	\$ 892,730	\$ 892,730	\$ 2,734,591	\$ 1,653,174	\$ 230,139	\$ 230,139	Year 17
2036	\$ 3,785,902	\$ (1,075,342)	\$ 2,805,208	\$ 2,734,591	\$ 2,734,591	\$ 2,805,208	\$ 2,805,208	\$ 2,616,521	\$ 2,805,208	\$ 915,782	\$ 915,782	\$ 2,805,208	\$ 1,653,174	\$ 285,547	\$ 285,547	Year 18
2037	\$ 3,880,560	\$ (1,099,373)	\$ 2,877,590	\$ 2,805,208	\$ 2,805,208	\$ 2,877,590	\$ 2,877,590	\$ 2,664,031	\$ 2,877,590	\$ 939,411	\$ 939,411	\$ 2,877,590	\$ 1,653,174	\$ 289,404	\$ 289,404	Year 19
2038	\$ 3,977,563	\$ (1,125,220)	\$ 2,951,782	\$ 2,877,590	\$ 2,877,590	\$ 2,951,782	\$ 2,951,782	\$ 2,753,229	\$ 2,951,782	\$ 963,630	\$ 963,630	\$ 2,951,782	\$ 1,653,174	\$ 292,404	\$ 292,404	Year 20
2039	\$ 4,077,003	\$ (1,151,099)	\$ 3,027,829	\$ 2,951,782	\$ 2,951,782	\$ 3,027,829	\$ 3,027,829	\$ 2,824,156	\$ 3,027,829	\$ 988,456	\$ 988,456	\$ 3,027,829	\$ 1,653,174	\$ 292,404	\$ 292,404	Total
2040	\$ 4,178,928	\$ (1,177,524)	\$ 3,105,777	\$ 3,027,829	\$ 3,027,829	\$ 3,105,777	\$ 3,105,777	\$ 2,896,857	\$ 3,105,777	\$ 1,013,900	\$ 1,013,900	\$ 3,105,777	\$ 1,653,174	\$ 292,404	\$ 292,404	Total
2041	\$ 4,283,401	\$ (1,204,812)	\$ 3,093,531	\$ 3,093,531	\$ 3,093,531	\$ 3,080,979	\$ 3,080,979	\$ 2,879,232	\$ 3,080,979	\$ 1,007,731	\$ 1,007,731	\$ 3,080,979	\$ 1,653,174	\$ 292,404	\$ 292,404	Total
2042	\$ 4,298,343	\$ (1,232,881)	\$ 3,080,979	\$ 3,080,979	\$ 3,080,979	\$ 26,746,668	\$ 26,746,668	\$ 23,430,743	\$ 26,746,668	\$ 8,200,750	\$ 8,200,750	\$ 212,588	\$ 1,653,174	\$ 292,404	\$ 292,404	Total
2043	\$ 4,313,659	\$ (65,984,289)	\$ 40,021,668	\$ 40,021,668	\$ 40,021,668	\$ 28,025,000	\$ 28,025,000	\$ 26,746,668	\$ 28,025,000	\$ 1,845,520	\$ 1,845,520	\$ 2,142,996	\$ 1,653,174	\$ 292,404	\$ 292,404	Total

The key to leverage is that it dramatically enhances early year returns but has a lower effect on a ten year stream of revenues such as generated by the PTC. Thus, even though the unleveraged returns from the Investment Tax Credit (ITC) 30% up front credit on the project and the Production Tax Credit (PTC) escalated rate of about \$0.03 per kWh for ten years may be within the percent of each other the leveraged results are huge. This is also emphasized in this case because it turns out that with this project cost and capacity factor the total amount of the ITC and the PTC's over ten years are virtually identical. The time value of long term debt in exchange for that huge amount of cash income from the total tax revenue but could almost double the return for investors and incent them to build projects that would otherwise be put off due to economic constraints.

Appendix G: 4 Turbine Wind Project Proforma and Inputs

7.2 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines; Input Variables and Quick Summary

Project Inputs		
Project Name		Malmstrom
Year Project Installed		2014
Month Project Installed		November
Turbine Inputs		
Vestas V100 (1.8MW)		4 turbines
Turbine Size	1,800	kW
Site Inputs		
Gross Power Curve Annual Generation Estimate	23,162,687	kWh
Estimated Gross Capacity Factor	37.86%	
Percent On-Peak	100.0%	
Percent Off-Peak	0.0%	
Electrical and Other Losses	8.0%	
Wake Losses (Included in WaSP Prod. Est.)	3.00%	
Availability	96.0%	
Financing Inputs		
Project Cost	\$ 2,917	\$/kW
Depreciable Costs	95.0%	
Reduction for ITC Cash Grant Option in Depreciation Allowed	15.0%	15%
Bonus Depreciation - 2011,2012 Construction	0.0%	of Project Cost
Grants		
USDA	\$ -	
ITC Cash Grant	\$ -	\$/turbine
Eligible ITC Costs	30.0%	30% of Project Cost
Development Team LLC		
Towards Project Financing	\$ -	
Towards Interest Reserve Account	\$ -	
Developer	50.0%	in Dev. Team
Landowner	50.0%	in Dev. Team
Other TEAM Equity Contribution to Project	\$ -	
Developer	50.0%	
Finance Partner	50.0%	
Investment Percentages		
Developer	50.0%	
Finance Partner	50.0%	
Cost of Short Term Debt	10.0%	%/yr
Amount of Short Term Debt	\$ 300,000	early Expenses
Federal Marginal Tax Rate - Development Team	35.0%	
Working Capital Account Return	2.5%	APR
Project Development Fees at Closing	6.0%	of Project Cost
Debt Financing		
Debt Proportion	50.0%	40%
Interest Rate	6.00%	
Project Portion, Term	20	years
Tax Equity Investor		
Federal Marginal Tax Rate - TEI	35.0%	
STATE:	IDAHO	MONTANA
State Marginal Tax Rate	6.9%	
Other Equity, BETC, - Applicable	No	
Utilize BETC Pass-Through?	No	
BETC Value	0.00%	of Project Cost
BETC Self Use VALUE \$ (Awarded in 2011)	\$ -	
Discount Alternative Amount for Pass Through BETC	0.0%	33.50%
BETC Pass Through Cash Value Alternative	\$ -	
Net Operating Loss Portion		
Discount Rate for Tax Credit IRR Calculations	8.0%	
Discount Rate for Average NPV Calculations	10.0%	
FMV Discount Rate for Buyout Calculations	12.0%	
Montana State Investment Tax Credit Applicable	No	
Montana State Investment Tax Credit (State ITC)	35.0%	% of CapitalCost
Tax Equity Flip Periods		
Length of Period 1	5	years
Length of Period 2	5	years

Quick Summary		
Project Info		
Size	7,200	kW
Net Annual Generation	20,457,286	kWh
Net Capacity Factor	32.4%	
Project Financing		
Cost	\$ 21,000,000	100.0%
Cost per Turbine	\$ 5,250,000	
Cost per Turbine	\$ 2,917	\$/kW
Financing		
Grants	\$ -	0.0%
USDA	\$ -	0.0%
0	\$ -	0.0%
ITC Cash Grant	\$ 5,670,000	27.0%
BETC Pass Through	\$ -	0.0%
Dev Team	\$ -	0.0%
Other Dev. Equity	\$ 4,830,000	23.0%
Debt	\$ 10,500,000	50.0%
Tax Equity Investor Level		
Pre-Flip		
Post-Flip		
Flip Purchase Price		
Flip Purchase Year		
Development Team Level		
AWG Development		
AWG Development Level		
AWG		
Finance Partner		
Project Level		
IRR		
Project's Net Annual Operating Income		
Year	Net Annual Cash Flow	Debt Service Coverage Ratio
2014	\$ 32,978	1.22
2015	\$ 80,044	1.09
2016	\$ 116,713	1.13
2017	\$ 154,099	1.17
2018	\$ 192,219	1.21
2019	\$ 211,092	1.23
2020	\$ 206,188	1.23
2021	\$ 225,268	1.25
2022	\$ 248,353	1.28
2023	\$ 255,462	1.28
2024	\$ 266,615	1.30
2025	\$ 422,585	1.47
2026	\$ 476,834	1.53
2027	\$ 532,039	1.59
2028	\$ 588,223	1.65
2029	\$ 645,411	1.71
2030	\$ 703,627	1.78
2031	\$ 762,898	1.85
2032	\$ 807,218	1.89
2033	\$ 852,646	1.94
2034	\$ 1,029,661	2.37
2035	\$ 1,828,064	
2036	\$ 1,875,369	
2037	\$ 1,923,857	
2038	\$ 1,973,556	
2039	\$ 2,024,498	
2040	\$ 2,076,714	
2041	\$ 2,130,235	
2042	\$ 2,121,387	
2043	\$ 2,112,319	
Average DSCR		1.48

Annual Revenue Inputs



Project Default Sales Rate	\$ 0.0350	\$/kWh
REC Sales Rate Yrs 1-10	\$ 0.0060	\$/kWh
Able to Sell % of Available RECs Yrs 1-10	100.0%	
REC Sales Rate Yrs 11-20	\$ 0.0100	
Able to Sell % of Available RECs Yrs 11-20	100.0%	
Malmstrom Base % ONSITE ENERGY USE	95.5%	
Malmstrom Base % OFFSITE ENERGY SALES	4.5%	28.9
CPI / Inflation Rate	2.5%	per year
Annual Operations Inputs		
O&M Contract (10yrWarranty escalated with CPI, \$65k/Turbine)	\$ 0.0049	\$/kWh
Warranty - Annual Rate Years 1-5	\$ 0.0049	\$/kWh
Warranty Adder Years 6-10	\$ 0.0010	\$/kWh
Liability Insurance (per MW installed)	\$ 12,000	\$/MW
MONTANA - County Zone Tax Mill Rate - CASCADE COUNTY	508.9600	\$\$/1000
Category 14 Property Tax Valuation MONTANA	3%	
MONTANA - Property Tax Rate Estimate	\$ 160,322	\$Total no ValueAdj
MONTANA - Property Tax Rate Estimate per MW	\$ 22,267	\$/MW
IDAHO - Property Tax Rate	3%	% Gross ElecSales
IDAHO - First Full Year Tax Amount Estimate	\$ 40,230	\$Total
IDAHO - State Sales Tax Rate	6.0%	% of Equip
General & Administrative Costs		
Operation Management/ Administration/ Reporting/ Forecasting Contract	2.0%	% of Gross
Decommissioning Requirements	No	
Decommissioning Amount (per turbine)	\$ 25,000	\$/turbine
Decommissioning Bond (annual % of Decomm Amount)	5%	
General Site Upkeep, Weeds, Roads	\$ 1,500	\$/year
Power Purchase Agreement Letter of Credit	0.0%	0.5 %GrossRev
Transmission Service Letter of Credit	0.0%	%TotalTxFees
Phones, Internet, Supplies, Equipment	\$ 100	\$/mo
Land Lease Fees		
Land Lease Fee (Landowner to Development Team)	0.0%	% of Gross
Production Taxes on Electricity	Yes	
Production Taxes on Electricity (Years 1-10)	\$ 0.00015	\$/kWh produced
Production Taxes on Electricity (Years 11-20)	\$ 0.00015	\$/kWh produced
Transmission Rates		
Local Utility	No	
Wheeling Rate Northwestern (est \$k/yr)	\$ -	\$/kWh
Local Utility Wind Integration Rate	\$ -	\$/kWh
BPA	No	
Use of Facility Fee	\$ -	\$/year
Long Term PTP Rate (typ 1.3)	\$ -	\$/kW-mo
Ancillary Rate		
Scheduling, System Control, and Dispatch	\$ -	\$/kW-mo
Reactive Supply & Voltage Control from Generation Sources	\$ -	\$/kW-mo
Regulation and Frequency Response	\$ -	\$/kWh
Energy Imbalance	\$ -	
Operating Reserve - Spinning Reserve	\$ -	\$/kWh
Operating Reserve - Supplemental Reserve	\$ -	\$/kWh
BPA Wind Integration Rate	\$ -	\$/kW-mo
Tax Equity Investor - Development Team OWNERSHIP		
Tax Equity Investor	Years 1-5	100%
Tax Equity Investor	Years 6-30	100%
Development Team	Years 1-5	0%
Development Team	Years 6-30	0%
Year 6 Buyout Amount	Buyout of 5% TE Owner	\$ -
PTC Model Tax Equity Investor Years 1-10		100%
Power Purchase Utility Information		
Power Sales To:	Northwestern	
NPV of PTC		
	\$ 3,171,926	
FEDERAL PRODUCTION TAX CREDIT - PTC		
Annual Percentage Increase	2.50%	Annual Credit Value:
2012 START Value	\$ 0.0220	\$ 75,216
2	\$ 0.0226	\$ 461,312
3	\$ 0.0231	\$ 472,845
4	\$ 0.0237	\$ 484,666
5	\$ 0.0243	\$ 496,782
6	\$ 0.0249	\$ 509,202
7	\$ 0.0255	\$ 521,932
8	\$ 0.0262	\$ 534,980
9	\$ 0.0268	\$ 548,355
10	\$ 0.0275	\$ 562,064
Year 11 month from 2012	\$ 0.0282	\$ 528,106
Total Value of 10 Years of PTC:		\$ 5,195,458
Energy Trust of Oregon		
Initial Development Assistance Amount:	\$ -	
Annual Average Base Contribution:	\$ -	
Years of Assistance	\$ -	
Front End Loading Declining Percentage of Assistance Each Year		
1	200%	\$ -
2	175%	\$ -
3	100%	\$ -
4	100%	\$ -
5	100%	\$ -
6	100%	\$ -
7	100%	\$ -
8	100%	\$ -
9	50%	\$ -
10	25%	\$ -

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines; Major Input Variables and Financial Return Summary

Quick Summary - Project Info		Project's Net Annual Operating Income							
Vestas V100 (1.8MW)		Year	Net Annual Cash Flow	Annual Income	Cash Flow	Debt Service Coverage Ratio			
Size	7,200 kW	2014	\$ 32,978	\$ 32,978	\$ 32,978	1.22			
Net Annual Generation	20,457,286 kWh	2015	\$ 8,034	\$ 8,034	\$ 8,034	1.09			
Net Project Capacity Factor	32.4%	2016	\$ 116,713	\$ 116,713	\$ 116,713	1.13			
Total Capital Cost:	\$ 21,000,000	2017	\$ 154,099	\$ 154,099	\$ 154,099	1.17			
Financing	Total Cost per Turbine Fully Installed	\$ 5,250,000	\$/kW	\$/Turbine	2018	\$ 192,219			
	Cost per kW Installed	\$ 2,917			2019	\$ 211,092			
Grants	\$ -		0.0%		2020	\$ 206,188			
USDA Energy Trust / Other	\$ -		0.0%		2021	\$ 225,268			
ITC Cash Grant	\$ 5,670,000		27.0%		2022	\$ 248,353			
Development TEAM Long Term Equity	\$ -		0.0%		2023	\$ 255,462			
Other TEAM Long Term Equity	\$ 4,830,000		23.0%		2024	\$ 266,615			
Tax Equity Investor	\$ 10,500,000		50.0%		2025	\$ 422,585			
Debt					2026	\$ 476,834			
					2027	\$ 532,039			
					2028	\$ 588,223			
					2029	\$ 645,411			
					2030	\$ 703,627			
Project Name	Malmstrom		2031		\$ 762,898				
Year Project Installed	2014	November	2032		2033	\$ 807,218			
Month Project Installed			2034		2035	\$ 852,646			
Number of Turbines	4 turbines		2036		2037	\$ 1,875,369			
Turbine Size	1800 kW Each		2038		2039	\$ 1,923,857			
Site Inputs			2040		2041	\$ 2,024,498			
Estimated Gross Capacity Factor	37.66%		2042		2043	\$ 2,121,387			
Electrical Losses	8.00%								
Wake Losses (Included in WasP Prod. Est.)	3.00%								
Availability	96.00%								
Financing Inputs									
Project Cost	\$ 2,917 \$/kW								
MACRS Depreciable Costs	95.0% of Project Cost								
ITC Cash Grant	30.0% of Project Cost								
Eligible ITC Costs	90.0% of Project Cost								
Bonus Depreciation Allowed First Year	0.0% of Project Cost								
Debt Financing									
Debt Proportion	50.0%								
Interest Rate	6.00%								
Project Portion, Term	20 years								
		Average DSCR		1.48					
		The returns calculated show the effect of the bank debt at the terms and conditions indicated on the input sheet. The debt coverage ratio above is dynamically colored based on a ratio below 1.4 colored orange and below 1.2 colored red. Typically banks want the project to be above 1.4 in all cases. Firm sales contracts can help secure financing.							
4 TURBINES		20 YEAR PROJECT RETURNS							
		UNLEVERAGED		LEVERAGED					
		INVESTMENT TAX CREDIT (ITC) as Cash Grant		4.6%		15.0%			
		INVESTMENT TAX CREDIT (ITC) as TAX CREDIT		5.3%		15.7%			
		PRODUCTION TAX CREDIT (PTC) MODEL		4.1%		6.9%			

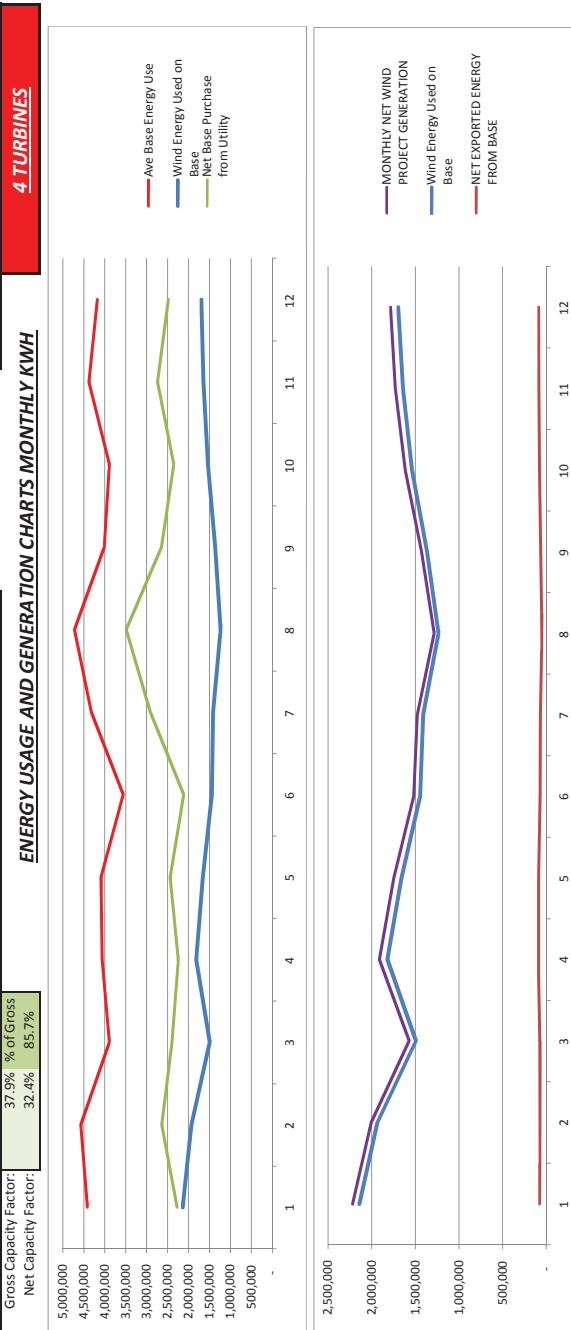
7.2 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines;

Wind Data Energy Production Model

Turbine Selection:
Vestas V100 (1.8MW)
Number of Turbines:
4
Project Size (Total kW):
7,200

Note: The Weibull model was used to estimate the percent of time in the month that the wind project was generating over 6MW of Power from the actual on-site wind speed data. The actual BASE energy usage average for the month appears to be at about 6 MW load, so the data was used to estimate % of energy produced above that level

Month	Month	Weibull energy Prod. (1) 1.8MW V100 gross kWh	Monthly Percent of Annual Gen.	Gross Monthly Capacity Factor	MONTHLY NET CAPACITY FACTOR	Percent Deduction for Actual Expected Export:	
						Estimated actual percent export	Percent Export from Weibull {INPUT}
Jan-11	7.3	647,731	10.94%	9.88%	41.4%	3.8%	4 TURBINES
Feb-11	7.3	585,047	9.88%	48.37%	41.4%	3.8%	4 TURBINES
Mar-11	5.5	457,940	7.73%	34.20%	29.3%	5.0%	4 TURBINES
Apr-11	6.5	457,654	9.42%	43.03%	36.3%	5.1%	4 TURBINES
May-11	5.9	13.20	509,034	8.60%	38.01%	32.6%	4 TURBINES
Jun-11	5.5	12.30	443,168	7.49%	34.20%	29.3%	4 TURBINES
Jul-11	5.3	11.86	431,464	7.29%	32.22%	27.6%	4 TURBINES
Aug-10	4.9	10.96	374,860	6.33%	27.99%	24.0%	4 TURBINES
Sep-10	5.3	11.86	417,545	7.05%	32.22%	27.6%	4 TURBINES
Oct-10	5.6	12.53	471,408	7.96%	35.20%	30.2%	4 TURBINES
Nov-10	6	13.42	504,029	8.51%	38.89%	33.3%	4 TURBINES
Dec-10	6	13.42	520,830	8.80%	38.89%	33.3%	4 TURBINES
Total 11 Turbine kWh, gross:		5,920,710	37.63%	Average:	20,289,184	4.6%	4 TURBINES
For 4 turbines, in kWh:		23,682,840	37.9%	Annual ave. export from Weibull = 5.28%	5.28%	100%	4 TURBINES



**7 MW Malmstrom Wind Project;
(4) 1.80-MW Wind Turbines**

**Malmstrom Wind Project; Annual Loan Amortization
Schedule**

Project Financing Summary		
Project Cost:	\$ 21,000,000	100.0%
USDA	\$ -	0.0%
ITC Cash Grant	\$ (5,670,000)	27.0%
	\$ -	0.0%
Year 1 Tax Bill = \$000,000; 34% tax bracket		
TOTAL EQUITY CONTRIBUTIONS		
Development Team	\$ -	0.0%
Other Dev Equity	\$ -	0.0%
Tax Equity Investor(s)	\$ (4,830,000)	23.0%
Total Equity:	\$ 23.0%	(\$4,830,000)
Project Debt Financing:	\$ (10,500,000)	50.0%
		100.0%
Debt Proportion	50.0%	
Interest Rate	6.0%	
Project Portion, Term	20.00	years

Year	Interest Principle Total	PROJECT DEBT PAYMENTS	
		Interest	Principal
2014	\$ 104,886	\$ 45,564	\$ 150,451
2015	\$ 619,564	\$ 283,139	\$ 902,703
2016	\$ 602,101	\$ 300,603	\$ 902,703
2017	\$ 583,560	\$ 319,143	\$ 902,703
2018	\$ 563,876	\$ 338,827	\$ 902,703
2019	\$ 542,978	\$ 359,725	\$ 902,703
2020	\$ 520,791	\$ 381,912	\$ 902,703
2021	\$ 497,235	\$ 405,468	\$ 902,703
2022	\$ 472,227	\$ 430,476	\$ 902,703
2023	\$ 445,676	\$ 457,027	\$ 902,703
2024	\$ 417,488	\$ 485,215	\$ 902,703
2025	\$ 387,561	\$ 515,142	\$ 902,703
2026	\$ 355,788	\$ 546,915	\$ 902,703
2027	\$ 322,055	\$ 580,648	\$ 902,703
2028	\$ 286,242	\$ 616,461	\$ 902,703
2029	\$ 248,220	\$ 654,483	\$ 902,703
2030	\$ 207,853	\$ 694,850	\$ 902,703
2031	\$ 164,996	\$ 737,707	\$ 902,703
2032	\$ 119,496	\$ 783,207	\$ 902,703
2033	\$ 71,190	\$ 831,513	\$ 902,703
2034	\$ 20,280	\$ 731,973	\$ 752,253
	\$ 7,554,063	\$ 10,500,000	\$ 18,054,063

7 MW Malmstrom Wind Project; (4) 1.8-MW Wind Turbines; Project Breakdown Budget / Capital Expenditures (CAPEX)

Equipment/Shipping	Cost	Qty		Total
1.8MW Turbines, 80m Towers	\$ 2,150,000	4		\$8,600,000
Service Elevator	\$ 25,000	4		\$100,000
Commissioning and Technical Advisory Services	\$ 30,000	4		\$120,000
SCADA Upgrades	\$ 250,000	1		\$250,000
Turbine Add-On Packages (cold weather, tools, lights, etc)	\$ 40,000	4		\$160,000
Shipping	\$ 125,000	4		\$500,000
		38.2%	S/T	\$ 9,730,000
Engineering & Design				
Wind Resource Assessment Fee	\$ 15,000	1		\$15,000
Geotechnical Analysis	\$ 75,000	1		\$75,000
Foundation Design	\$ 25,000	1		\$25,000
SGIA Applications, Studies, Utilities	\$ 150,000	1		\$150,000
Pre-Development Expenses	\$ 300,000	1		\$300,000
Electrical Engineer One-Line, Design, Substation, Transmission R	\$ 90,000	1		\$90,000
		2.6%	S/T	\$ 655,000
Permitting/Fees				
CUP - Building Permits	\$ 5,000	1		\$5,000
Environmental Studies	\$ 12,000	1		\$12,000
Foundation Permits	\$ 3,000	4		\$12,000
Electrical Permit	\$ 40,000	1		\$40,000
		0.3%	S/T	\$ 69,000
Foundation/Tower/Erection/Site Office O&M Facility				
Site Office O&M Facility	\$ 180,000	1		\$180,000
Foundations	\$ 150,000	4		\$600,000
				\$0
Turbine Wiring - Downtower Electrical Work	\$ 60,000	4		\$240,000
				\$0
Tower, Crane, Erection	\$ 145,000	4		\$580,000
		6.3%	S/T	\$ 1,600,000
Roads				
Material & Equipment, Labor - 4000'	\$ 265,000	1		\$265,000
		1.0%	S/T	\$ 265,000
Electrical Distribution and Site Substation Installation				
Turbine Transformers 2MVA	\$ 40,000	4		\$160,000
Underground Distribution, Wiring, Arrays	\$ 560,000	1		\$560,000
Metering Equipment and Misc Upgrades	\$ 200,000	1		\$200,000
Substation Structures and Construction	\$ 700,000	1		\$700,000
Substation Transformer and Appurtenant Equip	\$ 2,000,000	1		\$2,000,000
		14.2%	S/T	\$ 3,620,000
Electrical Interconnection with Utility				
New Distribution Lines	\$ 3,500,000	1		\$3,500,000
Interconnection Facilities	\$ 1,500,000	1		\$1,500,000
Communications Equipment	\$ 150,000	1		\$150,000
		20.2%	S/T	\$ 5,150,000
Legal Costs				
Lease Agreement, Op Agmts, PPA	\$ 25,000	1		\$25,000
Construction Agreements	\$ 12,000	1		\$12,000
Turbine Supply Agreements	\$ 20,000	1		\$20,000
		0.2%	S/T	\$ 57,000
Financing Costs and Sales Tax				
Finance Fees	\$ 400,000	1		\$400,000
Construction Financing Interest	\$ 500,000	1		\$500,000
Idaho State Sales Tax on Equipment	\$14,770,000	6.0% of Project Equip.		\$886,200
		7.0%	S/T	\$ 1,786,200
Developers Fee and Contingency				
				\$0
Project Development Fees with Performance Guarantees	\$ 1,260,000	6.0% of Project w Perf.G.		\$1,260,000
Contingency (not incl on fixed price contracts, Turbines)	\$ 1,253,200	20% of Project Variable \$		\$1,253,200
				\$0
		9.9%	S/T	\$ 2,513,200
Total From This BREAKDOWN BUDGET	3,534	\$/kW	\$	25,445,400
Total From \$/KW in PROFORMA SHEET MODEL	2,917	\$/kW	\$	21,000,000



7 MW Malmstrom Wind Project

30 Year G&A Expenses

Malmstrom Wind Project; (4) 1.80-MW Wind Turbines;

30 Year O&M Expenses with RESERVE ACCOUNTS

Year	2.0% of Gross Annual Revenues	\$ 1,500 per Year	0.0% of Gross Energy Revenues	\$ 100 per Month										
					\$ 0.0098 per kWh of Annual Generation	Annual Expense on Misc. Parts	\$ 5,000	\$ 20,000	\$ 20,000	\$ 60,000	Annual Reserve Total with CPI	Annual Reserve Total	Annual Reserve Contribution	Cumulative Reserve Account Balance
2014	\$ (4,783)	\$ (1,500)	\$ -	\$ (1,200)	\$ (7,483)						\$ (33,333)	\$ -	\$ -	
2015	\$ (29,336)	\$ (1,538)	\$ -	\$ (1,230)	\$ (32,104)						\$ (200,000)	\$ -	\$ -	
2016	\$ (30,069)	\$ (1,576)	\$ -	\$ (1,261)	\$ (32,906)						\$ (205,000)	\$ -	\$ -	
2017	\$ (30,821)	\$ (1,615)	\$ -	\$ (1,292)	\$ (33,729)						\$ (210,125)	\$ -	\$ -	
2018	\$ (31,592)	\$ (1,656)	\$ -	\$ (1,325)	\$ (34,572)						\$ (215,378)	\$ -	\$ -	
2019	\$ (32,381)	\$ (1,697)	\$ -	\$ (1,358)	\$ (35,436)						\$ (240,763)	\$ -	\$ -	
2020	\$ (33,191)	\$ (1,740)	\$ -	\$ (1,392)	\$ (36,322)						\$ (266,782)	\$ (20,000)	\$ (20,000)	
2021	\$ (34,021)	\$ (1,783)	\$ -	\$ (1,426)	\$ (37,230)						\$ (272,951)	\$ (20,000)	\$ (40,000)	
2022	\$ (34,871)	\$ (1,828)	\$ -	\$ (1,462)	\$ (38,161)						\$ (279,275)	\$ (20,000)	\$ (60,000)	
2023	\$ (35,743)	\$ (1,873)	\$ -	\$ (1,499)	\$ (39,115)						\$ (305,757)	\$ (40,000)	\$ (100,000)	
2024	\$ (36,637)	\$ (1,920)	\$ -	\$ (1,536)	\$ (40,093)						\$ (332,401)	\$ (40,000)	\$ (140,000)	
2025	\$ (39,700)	\$ (1,968)	\$ -	\$ (1,575)	\$ (43,243)						\$ (339,711)	\$ (40,000)	\$ (180,000)	
2026	\$ (40,692)	\$ (2,017)	\$ -	\$ (1,614)	\$ (44,324)						\$ (347,294)	\$ (40,000)	\$ (220,000)	
2027	\$ (41,710)	\$ (2,068)	\$ -	\$ (1,654)	\$ (45,432)						\$ (354,884)	\$ (40,000)	\$ (260,000)	
2028	\$ (42,752)	\$ (2,119)	\$ -	\$ (1,696)	\$ (46,568)						\$ (362,756)	\$ (40,000)	\$ (300,000)	
2029	\$ (43,821)	\$ (2,172)	\$ -	\$ (1,738)	\$ (47,732)						\$ (370,825)	\$ (40,000)	\$ (340,000)	
2030	\$ (44,917)	\$ (2,227)	\$ -	\$ (1,781)	\$ (48,925)						\$ (379,955)	\$ (40,000)	\$ (380,000)	
2031	\$ (46,040)	\$ (2,282)	\$ -	\$ (1,826)	\$ (50,148)						\$ (387,573)	\$ (40,000)	\$ (420,000)	
2032	\$ (47,191)	\$ (2,339)	\$ -	\$ (1,872)	\$ (51,402)						\$ (396,262)	\$ (40,000)	\$ (460,000)	
2033	\$ (48,371)	\$ (2,398)	\$ -	\$ (1,918)	\$ (52,687)						\$ (405,168)	\$ (40,000)	\$ (500,000)	
2034	\$ (49,580)	\$ (2,458)	\$ -	\$ (1,966)	\$ (54,004)						\$ (434,298)	\$ (60,000)	\$ (560,000)	
2035	\$ (50,819)	\$ (2,519)	\$ -	\$ (2,015)	\$ (55,564)						\$ (445,155)	\$ (61,500)	\$ (621,500)	
2036	\$ (52,090)	\$ (2,582)	\$ -	\$ (2,066)	\$ (56,738)						\$ (63,038)	\$ (456,284)	\$ (684,538)	
2037	\$ (53,392)	\$ (2,647)	\$ -	\$ (2,118)	\$ (58,156)						\$ (64,613)	\$ (457,691)	\$ (749,151)	
2038	\$ (54,727)	\$ (2,713)	\$ -	\$ (2,170)	\$ (59,610)						\$ (66,229)	\$ (479,383)	\$ (815,380)	
2039	\$ (56,095)	\$ (2,781)	\$ -	\$ (2,225)	\$ (61,101)						\$ (67,884)	\$ (491,368)	\$ (883,264)	
2040	\$ (57,497)	\$ (2,850)	\$ -	\$ (2,280)	\$ (62,628)						\$ (69,582)	\$ (503,652)	\$ (952,846)	
2041	\$ (58,935)	\$ (2,922)	\$ -	\$ (2,337)	\$ (64,194)						\$ (71,321)	\$ (516,243)	\$ (1,024,167)	
2042	\$ (59,134)	\$ (2,995)	\$ -	\$ (2,396)	\$ (64,525)						\$ (73,104)	\$ (529,150)	\$ (1,097,271)	
2043	\$ (59,338)	\$ (3,070)	\$ -	\$ (2,456)	\$ (64,864)						\$ (74,932)	\$ (542,378)	\$ (1,172,203)	
												\$ (1,398,784)	\$ (10,770,844)	

14 MW Malmstrom Wind Project; (8) 1.80-MW Wind Turbines; Production and Property Tax Calculations

Year	Total Annual MT Electricity Production	Tax Payments Vatuation for Tax Calc	Strategic Line Depreciation for Tax Calc	Montana Tax Revenue	Green and Emerging Business Cash Value)	Actual Tax Owed for Years (Cash Value)	Year Tax Owed for Actual Taxes Owed	Schedule June Payment	Schedule November Payment	Total Annual Property Green and Emerging Business	Discount 10 yrs Green and Emerging Business	YR
	\$0.00015 per kWh of Elect Sales											
				Straight line 20 year depreciation down to 20% minimum	3%	\$ 945,902						
2014	\$ (513)	\$ 21,000,000	\$ 630,000	\$ 598,500	\$ 152,306	\$ (160,322)						
2015	\$ (3,069)	\$ 19,950,000	\$ 18,900,000	\$ 567,000	\$ 144,290	\$ (144,290)	\$ (80,161)	\$ (80,161)	\$ (76,153)	\$ (160,322)	\$ (160,322)	1
2016	\$ (3,069)	\$ 17,850,000	\$ 16,800,000	\$ 535,500	\$ 136,274	\$ (136,274)	\$ (72,145)	\$ (72,145)	\$ (72,145)	\$ (152,306)	\$ (152,306)	2
2017	\$ (3,069)	\$ 15,750,000	\$ 14,700,000	\$ 504,000	\$ 128,258	\$ (128,258)	\$ (68,137)	\$ (68,137)	\$ (68,137)	\$ (144,290)	\$ (144,290)	3
2018	\$ (3,069)	\$ 13,650,000	\$ 12,600,000	\$ 472,500	\$ 96,193	\$ (144,290)	\$ (64,129)	\$ (64,129)	\$ (64,129)	\$ (136,274)	\$ (136,274)	4
2019	\$ (3,069)	\$ 11,550,000	\$ 10,500,000	\$ 441,000	\$ 67,735	\$ (157,116)	\$ (72,145)	\$ (72,145)	\$ (72,145)	\$ (128,258)	\$ (128,258)	5
2020	\$ (3,069)	\$ 9,450,000	\$ 8,400,000	\$ 409,500	\$ 41,684	\$ (166,735)	\$ (78,558)	\$ (78,558)	\$ (78,558)	\$ (144,290)	\$ (144,290)	6
2021	\$ (3,069)	\$ 7,350,000	\$ 6,300,000	\$ 378,000	\$ 19,239	\$ (173,148)	\$ (83,368)	\$ (83,368)	\$ (83,368)	\$ (157,116)	\$ (157,116)	7
2022	\$ (3,069)	\$ 5,250,000	\$ 4,200,000	\$ 346,500	\$ -	\$ (176,355)	\$ (86,574)	\$ (86,574)	\$ (86,574)	\$ (166,735)	\$ (166,735)	8
2023	\$ (3,069)	\$ 3,150,000	\$ 2,000,000	\$ 315,000		\$ (160,322)	\$ (88,177)	\$ (88,177)	\$ (88,177)	\$ (173,148)	\$ (173,148)	9
2024	\$ (3,069)	\$ 9,450,000	\$ 8,400,000	\$ 283,500		\$ (144,290)	\$ (80,161)	\$ (80,161)	\$ (80,161)	\$ (160,322)	\$ (160,322)	10
2025	\$ (3,069)	\$ 7,350,000	\$ 6,300,000	\$ 252,000		\$ (128,258)	\$ (72,145)	\$ (72,145)	\$ (72,145)	\$ (144,290)	\$ (144,290)	
2026	\$ (3,069)	\$ 5,250,000	\$ 4,200,000	\$ 220,500		\$ (112,226)	\$ (64,129)	\$ (64,129)	\$ (64,129)	\$ (128,258)	\$ (128,258)	
2027	\$ (3,069)	\$ 3,150,000	\$ 2,000,000	\$ 189,000		\$ (96,193)	\$ (56,113)	\$ (56,113)	\$ (56,113)	\$ (112,226)	\$ (112,226)	
2028	\$ (3,069)	\$ 9,450,000	\$ 8,400,000	\$ 157,500		\$ (80,161)	\$ (48,097)	\$ (48,097)	\$ (48,097)	\$ (96,193)	\$ (96,193)	
2029	\$ (3,069)	\$ 7,350,000	\$ 6,300,000	\$ 126,000		\$ (64,129)	\$ (40,081)	\$ (40,081)	\$ (40,081)	\$ (80,161)	\$ (80,161)	
2030	\$ (3,069)	\$ 5,250,000	\$ 4,200,000	\$ 126,000		\$ (64,129)	\$ (32,064)	\$ (32,064)	\$ (32,064)	\$ (64,129)	\$ (64,129)	
2031	\$ (3,069)	\$ 3,150,000	\$ 2,000,000	\$ 126,000		\$ (64,129)	\$ (32,064)	\$ (32,064)	\$ (32,064)	\$ (64,129)	\$ (64,129)	
2032	\$ (3,069)	\$ 9,450,000	\$ 8,400,000	\$ 126,000		\$ (64,129)	\$ (32,064)	\$ (32,064)	\$ (32,064)	\$ (64,129)	\$ (64,129)	
2033	\$ (3,069)	\$ 7,350,000	\$ 6,300,000	\$ 126,000		\$ (64,129)	\$ (32,064)	\$ (32,064)	\$ (32,064)	\$ (64,129)	\$ (64,129)	
2034	\$ (3,069)	\$ 5,250,000	\$ 4,200,000	\$ 126,000		\$ (64,129)	\$ (32,064)	\$ (32,064)	\$ (32,064)	\$ (64,129)	\$ (64,129)	
2035	\$ (3,069)	\$ 3,150,000	\$ 2,000,000	\$ 126,000		\$ (64,129)	\$ (32,064)	\$ (32,064)	\$ (32,064)	\$ (64,129)	\$ (64,129)	
2036	\$ (3,069)	\$ 9,450,000	\$ 8,400,000	\$ 126,000		\$ (64,129)	\$ (32,064)	\$ (32,064)	\$ (32,064)	\$ (64,129)	\$ (64,129)	
2037	\$ (3,069)	\$ 7,350,000	\$ 6,300,000	\$ 126,000		\$ (64,129)	\$ (32,064)	\$ (32,064)	\$ (32,064)	\$ (64,129)	\$ (64,129)	
2038	\$ (3,069)	\$ 5,250,000	\$ 4,200,000	\$ 126,000		\$ (64,129)	\$ (32,064)	\$ (32,064)	\$ (32,064)	\$ (64,129)	\$ (64,129)	
2039	\$ (3,069)	\$ 3,150,000	\$ 2,000,000	\$ 126,000		\$ (64,129)	\$ (32,064)	\$ (32,064)	\$ (32,064)	\$ (64,129)	\$ (64,129)	
2040	\$ (3,069)	\$ 9,450,000	\$ 8,400,000	\$ 126,000		\$ (64,129)	\$ (32,064)	\$ (32,064)	\$ (32,064)	\$ (64,129)	\$ (64,129)	
2041	\$ (3,069)	\$ 7,350,000	\$ 6,300,000	\$ 126,000		\$ (64,129)	\$ (32,064)	\$ (32,064)	\$ (32,064)	\$ (64,129)	\$ (64,129)	
2042	\$ (3,069)	\$ 5,250,000	\$ 4,200,000	\$ 126,000		\$ (64,129)	\$ (32,064)	\$ (32,064)	\$ (32,064)	\$ (64,129)	\$ (64,129)	
2043	\$ (3,069)	\$ 3,150,000	\$ 2,000,000	\$ 126,000		\$ (64,129)	\$ (32,064)	\$ (32,064)	\$ (32,064)	\$ (64,129)	\$ (64,129)	
						\$ (89,502)	\$ (3,158,351)			\$ (3,094,222)		

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines;

Summary of Project Tax Benefits

Year	FEDERAL ITC		STATE DEPRECIATION		FEDERAL LOSSES		STATE LOSSES		TOTAL CREDITS	
	Eligible Costs	Reduction for ITC use	MACRS Schedule	Effective	To P&L	(NOL) or Taxable Income	TEI	(NOL) or Taxable Income	TEI	TEI Value
2014	\$ 30,000	\$ 0% (0%)	Total ITC: \$ 20,000	16.15%	\$ 3,391,500	\$ (3,312,958)	\$ 1,159,535	\$ (3,312,958)	\$ 228,594	\$ 0%
2015	\$ 300,000	\$ 15% (95%)	Allowables: \$ 32,000	25.84%	\$ 5,126,400	\$ (5,063,217)	\$ 1,772,126	\$ (5,063,217)	\$ 349,362	\$ 2,124,488
2016	\$ 300,000	\$ 15% (95%)	Net Amount: \$ 19,200	15.50%	\$ 3,455,440	\$ (2,838,524)	\$ 995,483	\$ (2,838,524)	\$ 195,858	\$ 1,185,342
2017	\$ 27,000	\$ 0% (100%)	To Project: \$ 19,200	9.30%	\$ 1,653,504	\$ (1,480,262)	\$ 518,092	\$ (1,480,262)	\$ 102,138	\$ 62,0230
2018	\$ 27,000	\$ 0% (100%)		9.30%	\$ 1,653,504	\$ (1,422,457)	\$ 497,860	\$ (1,422,457)	\$ 98,150	\$ 596,010
2019	\$ 27,000	\$ 0% (100%)		4.65%	\$ 976,452	\$ (405,935)	\$ 142,077	\$ (405,935)	\$ 28,009	\$ 170,087
2020										
2021										
2022										
2023										
2024										
	FED ITC - CASH GRANT		Total Project Depreciation Amounts			\$ 14,523,353	\$ 14,523,353	\$ 14,523,353	\$ 1,002,111	\$ 6,085,285
	Tax Credit or Cash									
	\$ 5,670,000		NPV							
	\$ 5,670,000		Discount Rate							
	NPV		NPV							
	\$ 5,670,000		\$ (4,190,796)							
			8.0%							
			\$ (226,186)							
			\$ 8.0%							
			\$ (5,016,582)							

*Note: Total of Tax Benefits and Credit Summary for Tax Equity Investor Consideration. State benefits (tax credits) need certain investor profiles to use the credits. Idaho ITC is limited to 50% of the current year tax liability and can be carried forward up to 14 years. Need to check for similar restrictions for Montana.

*Federal ITC is not included on Transmission Upgrade and System Assets but includes distribution systems. Distributed Community Projects typically find about 90%-97% of project costs qualify. If Federal ITC is used as a cashgrant, the total amount to depreciate is reduced by 15% as shown here. If the FEDERAL ITC IS USED AS A TAX CREDIT INSTEAD OF CASH GRANT THE DEPRECIATION IS NOT REDUCED BY 15%!! (As shown on the next sheet for the PTC) This effect is especially important with the BONUS up front loading. This can move the leveraged return by almost 1.5% which depending on debt rate can move the leveraged return by about 5% IRR. The greater the gap between the Unleveraged Project Return and the debt rate - the greater the impact on returns from the effect of debt leverage.

*If Bonus Depreciation is used it is taken up front and then the regular schedule follows for each of the 6 Total Years. Certain assets like shops and roads do not qualify for 5 year MACRS Depreciation. Modeling typically assumes 95% of total Capital Cost qualifies for the 5 Year MACRS. That is very conservative. On a larger project that number may be 98% or more.

*NOTE: The Depreciation is calculated here and then used on the income statement to determine the NET OPERATING LOSSES (NOLs) from that sheet to then calculate the after tax cash value of the Federal and State Credits to be taken off of the particular year tax liability.

*Always check the model to make sure the appropriate state incentive options are modeled correctly and the appropriate state is chosen in each case.

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines;

Summary of Project Tax Benefits - PTC 10 Years - NO 15% Depreciation Reduction for ITC as Cash

Year		Depreciation Year Federal Expenses		Depreciation Federal MACRS 5-Year Schedule		Depreciation Federal MACRS 5-Year									
0%		95.0%		100.0%		100.0%		100.0%		100.0%		100.0%		100.0%	

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines;

30 Year Annual Cash Flow Statement

Year	Project Gross & Net Earnings (KWh)	Direct Energy Sales to Air Base	Export Energy Sales Off Air Base	Est REC Sales Annual Inflation Rate (CPI): 2.50%	TOTAL Revenues	Transmission, Interconnection Fees Tributine and Project Maintenance & Expenses Administrative Costs Electric Energy Taxes Productivity Taxes Loan Payment Interest Rate: Loan Term:	Net Operating Cash Flow	Contract Year 1 Yr NPV = \$ 941,449 at 12%
2014	3,418,689	\$ 2,111,135	\$ 7,510	\$ 20,513	\$ 239,158	\$ -	\$ (14,400)	\$ (513) \$ (206,180)
2015	20,457,286	\$ 1,294,931	\$ 46,058	\$ 1,466,801	\$ 47,210	\$ (88,560)	\$ (200,000)	\$ (3,069) \$ (160,322) \$ (206,180)
2016	20,457,286	\$ 1,237,304	\$ 47,210	\$ 128,958	\$ 1,503,471	\$ (90,774)	\$ (205,000)	\$ (32,104) \$ (902,703) \$ (1386,758)
2017	20,457,286	\$ 1,360,487	\$ 48,390	\$ 132,182	\$ 1,541,058	\$ (93,043)	\$ (210,125)	\$ (32,729) \$ (902,703) \$ (1386,758)
2018	20,457,286	\$ 1,394,499	\$ 49,600	\$ 135,486	\$ 1,579,585	\$ (95,369)	\$ (215,378)	\$ (34,572) \$ (902,703) \$ (1387,365)
2019	20,457,286	\$ 1,429,361	\$ 50,840	\$ 138,873	\$ 1,619,074	\$ (97,754)	\$ (220,763)	\$ (35,436) \$ (902,703) \$ (1407,982)
2020	20,457,286	\$ 1,465,096	\$ 52,111	\$ 142,345	\$ 1,659,551	\$ (100,198)	\$ (226,782)	\$ (36,322) \$ (902,703) \$ (1453,363)
2021	20,457,286	\$ 1,501,723	\$ 53,413	\$ 145,904	\$ 1,701,040	\$ (102,702)	\$ (227,951)	\$ (37,230) \$ (902,703) \$ (1475,772)
2022	20,457,286	\$ 1,539,266	\$ 54,749	\$ 149,551	\$ 1,743,566	\$ (105,270)	\$ (279,275)	\$ (38,161) \$ (902,703) \$ (1495,213)
2023	20,457,286	\$ 1,577,748	\$ 56,117	\$ 153,290	\$ 1,781,155	\$ (107,902)	\$ (302,401)	\$ (39,115) \$ (902,703) \$ (1515,694)
2024	20,457,286	\$ 1,617,191	\$ 57,520	\$ 157,122	\$ 1,811,834	\$ (110,589)	\$ (332,401)	\$ (40,093) \$ (902,703) \$ (1536,219)
2025	20,457,286	\$ 1,657,621	\$ 58,958	\$ 268,417	\$ 1,954,997	\$ (113,364)	\$ (339,711)	\$ (43,243) \$ (902,703) \$ (1562,412)
2026	20,457,286	\$ 1,699,062	\$ 60,432	\$ 275,128	\$ 2,034,622	\$ (116,198)	\$ (347,204)	\$ (44,324) \$ (902,703) \$ (1587,787)
2027	20,457,286	\$ 1,741,558	\$ 61,943	\$ 292,006	\$ 2,085,487	\$ (119,033)	\$ (354,884)	\$ (45,422) \$ (902,703) \$ (1603,448)
2028	20,457,286	\$ 1,785,077	\$ 63,492	\$ 289,056	\$ 2,137,624	\$ (122,081)	\$ (362,756)	\$ (46,568) \$ (902,703) \$ (1619,402)
2029	20,457,286	\$ 1,829,704	\$ 65,079	\$ 296,292	\$ 2,191,065	\$ (125,133)	\$ (370,825)	\$ (47,732) \$ (902,703) \$ (1645,654)
2030	20,457,286	\$ 1,875,446	\$ 66,706	\$ 303,680	\$ 2,245,842	\$ (128,261)	\$ (387,095)	\$ (48,925) \$ (902,703) \$ (1648,214)
2031	20,457,286	\$ 1,922,332	\$ 68,374	\$ 311,282	\$ 2,301,988	\$ (131,468)	\$ (396,573)	\$ (50,148) \$ (902,703) \$ (1659,089)
2032	20,457,286	\$ 1,970,391	\$ 70,083	\$ 319,064	\$ 2,359,537	\$ (134,755)	\$ (396,282)	\$ (51,402) \$ (902,703) \$ (1676,398)
2033	20,457,286	\$ 2,019,660	\$ 71,835	\$ 327,040	\$ 2,418,526	\$ (138,123)	\$ (405,168)	\$ (52,687) \$ (902,703) \$ (1695,879)
2034	20,457,286	\$ 2,070,142	\$ 73,631	\$ 335,216	\$ 2,478,989	\$ (141,576)	\$ (434,288)	\$ (54,004) \$ (752,253) \$ (1449,328)
2035	20,457,286	\$ 2,121,895	\$ 75,472	\$ 343,597	\$ 2,540,964	\$ (145,116)	\$ (445,156)	\$ (55,354) \$ (752,253) \$ (1472,899)
2036	20,457,286	\$ 2,174,943	\$ 77,359	\$ 352,187	\$ 2,604,488	\$ -	\$ (148,744)	\$ (456,284) \$ (752,253) \$ (1484,129)
2037	20,457,286	\$ 2,229,316	\$ 79,292	\$ 360,981	\$ 2,669,600	\$ (152,462)	\$ (467,691)	\$ (58,156) \$ (752,253) \$ (1505,149)
2038	20,457,286	\$ 2,285,049	\$ 81,275	\$ 370,016	\$ 2,736,340	\$ (156,274)	\$ (479,383)	\$ (59,610) \$ (752,253) \$ (1527,356)
2039	20,457,286	\$ 2,342,175	\$ 83,307	\$ 379,267	\$ 2,804,748	\$ -	\$ (160,181)	\$ (491,368) \$ (752,253) \$ (1547,899)
2040	20,457,286	\$ 2,400,730	\$ 85,369	\$ 388,748	\$ 2,874,867	\$ -	\$ (164,185)	\$ (503,652) \$ (752,253) \$ (1568,153)
2041	20,457,286	\$ 2,460,748	\$ 87,524	\$ 388,467	\$ 2,946,739	\$ -	\$ (168,280)	\$ (516,243) \$ (752,253) \$ (1586,504)
2042	20,457,286	\$ 2,460,748	\$ 87,524	\$ 408,429	\$ 2,956,701	\$ -	\$ (172,497)	\$ (529,150) \$ (752,253) \$ (1605,319)
2043	20,457,286	\$ 2,480,748	\$ 87,524	\$ 418,639	\$ 2,966,911	\$ -	\$ (176,810)	\$ (542,378) \$ (752,253) \$ (1621,387)
Totals	596,680,169	54,226,053	1,928,716	7,857,560	64,012,329	-	(3,721,194)	(10,770,844) (11,402,638) (93,195) (18,054,033) (37,136,155) (26,876,174)

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines;

30 Year Profit & Loss Statement

Year	Energy Sales RECs Sales, ETO PMs, Other Revenue TOTAL Revenues	Transmission, Interconnection Fees TOTAL Expenses	Operation & Maintenance Expenses General Energy Costs Administrative Costs Electric Energy Taxes Property Taxes Loan Interest TOTAL Expenses	Net Income
2014	\$ 211,135	\$ 28,023	\$ 239,158	\$ (14,400)
2015	\$ 1,294,331	\$ 171,871	\$ 1,466,801	\$ (88,560)
2016	\$ 1,327,304	\$ 176,167	\$ 1,503,471	\$ (200,000)
2017	\$ 1,360,487	\$ 180,571	\$ 1,541,058	\$ (205,000)
2018	\$ 1,394,499	\$ 185,086	\$ 1,579,585	\$ (210,125)
2019	\$ 1,429,361	\$ 189,713	\$ 1,619,074	\$ (215,378)
2020	\$ 1,465,096	\$ 194,456	\$ 1,659,551	\$ (240,673)
2021	\$ 1,501,723	\$ 199,317	\$ 1,701,040	\$ (266,182)
2022	\$ 1,539,266	\$ 204,300	\$ 1,743,566	\$ (272,251)
2023	\$ 1,577,749	\$ 209,408	\$ 1,787,155	\$ (305,757)
2024	\$ 1,617,191	\$ 214,643	\$ 1,831,834	\$ (310,593)
2025	\$ 1,657,621	\$ 327,376	\$ 1,984,987	\$ (339,711)
2026	\$ 1,699,062	\$ 335,560	\$ 2,034,672	\$ (347,204)
2027	\$ 1,741,538	\$ 343,949	\$ 2,085,487	\$ (354,884)
2028	\$ 1,785,077	\$ 352,548	\$ 2,137,624	\$ (362,756)
2029	\$ 1,829,704	\$ 361,362	\$ 2,191,065	\$ (370,925)
2030	\$ 1,875,446	\$ 370,396	\$ 2,245,842	\$ (379,095)
2031	\$ 1,922,332	\$ 379,685	\$ 2,301,988	\$ (387,573)
2032	\$ 1,970,391	\$ 389,147	\$ 2,359,537	\$ (396,262)
2033	\$ 2,019,350	\$ 398,876	\$ 2,418,526	\$ (405,168)
2034	\$ 2,070,142	\$ 408,847	\$ 2,478,989	\$ (414,576)
2035	\$ 2,121,895	\$ 419,069	\$ 2,540,964	\$ (445,116)
2036	\$ 2,174,343	\$ 429,545	\$ 2,614,488	\$ (456,284)
2037	\$ 2,229,316	\$ 440,284	\$ 2,689,600	\$ (467,591)
2038	\$ 2,285,049	\$ 451,291	\$ 2,736,340	\$ (479,383)
2039	\$ 2,342,175	\$ 462,573	\$ 2,804,748	\$ (491,368)
2040	\$ 2,400,730	\$ 474,138	\$ 2,874,887	\$ (503,652)
2041	\$ 2,460,748	\$ 485,981	\$ 2,946,729	\$ (516,243)
2042	\$ 2,460,748	\$ 495,953	\$ 2,956,701	\$ (529,150)
2043	\$ 2,460,748	\$ 506,163	\$ 2,966,911	\$ (542,378)

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines; Federal and State Tax Liabilities - FULL NOL USE EACH YEAR

	Federal Tax Liabilities	State Tax Liabilities	Total Tax Liabilities
	Depreciation Expenses	Taxable Federal Income (Loss)	Total Tax Liabilities
\$ (3,391,500)	\$ (3,312,956)	\$ (1,159,536)	\$ (3,391,500)
\$ (5,426,400)	\$ (5,063,217)	\$ (1,772,126)	\$ (5,063,217)
\$ (3,255,840)	\$ (2,838,524)	\$ (993,483)	\$ (3,255,840)
\$ (1,953,504)	\$ (1,480,262)	\$ (518,092)	\$ (1,953,504)
\$ (1,953,504)	\$ (1,480,262)	\$ (497,860)	\$ (1,480,262)
\$ (1,422,457)	\$ (1,422,457)	\$ (142,077)	\$ (1,422,457)
\$ (405,935)	\$ (405,935)	\$ (97,6752)	\$ (405,935)
\$ (976,752)	\$ (589,100)	\$ (588,100)	\$ (588,100)
\$ 589,100	\$ 588,100	\$ 206,836	\$ 630,736
\$ 630,736	\$ 630,736	\$ 206,555	\$ 837,291
\$ 678,329	\$ 635,308	\$ 222,358	\$ 678,329
\$ 712,389	\$ 665,649	\$ 232,977	\$ 712,389
\$ 751,330	\$ 702,668	\$ 245,934	\$ 751,330
\$ 937,728	\$ 885,851	\$ 310,048	\$ 937,728
\$ 1,023,750	\$ 959,046	\$ 356,666	\$ 1,023,750
\$ 1,112,887	\$ 1,042,048	\$ 364,717	\$ 1,112,887
\$ 1,204,884	\$ 1,127,908	\$ 394,768	\$ 1,204,884
\$ 1,299,994	\$ 1,216,770	\$ 425,870	\$ 1,299,994
\$ 1,398,477	\$ 1,307,835	\$ 458,075	\$ 1,398,477
\$ 1,500,805	\$ 1,404,110	\$ 491,439	\$ 1,500,805
\$ 1,590,425	\$ 1,456,884	\$ 520,409	\$ 1,590,425
\$ 1,684,160	\$ 1,574,421	\$ 551,047	\$ 1,684,160
\$ 1,761,633	\$ 1,645,426	\$ 575,899	\$ 1,761,633
\$ 1,828,064	\$ 1,706,512	\$ 597,279	\$ 1,828,064
\$ 1,875,369	\$ 1,759,233	\$ 612,231	\$ 1,875,369
\$ 1,923,857	\$ 1,794,456	\$ 628,060	\$ 1,923,857
\$ 1,973,556	\$ 1,840,810	\$ 644,284	\$ 1,973,556
\$ 2,024,498	\$ 1,888,323	\$ 660,913	\$ 2,024,498
\$ 2,076,714	\$ 1,937,024	\$ 677,958	\$ 2,076,714
\$ 2,130,235	\$ 1,986,942	\$ 695,430	\$ 2,130,235
\$ 2,121,387	\$ 1,974,401	\$ 691,040	\$ 2,121,387
\$ 2,112,319	\$ 1,965,943	\$ 688,080	\$ 2,112,319

BASE CASE: Must Assume Tax Equity Investor has appropriate Federal and State Tax liabilities from other business activities and can carry the Net Operating Losses from the FEDERAL AND STATE calculations to offset other tax liabilities on a 1:1 basis so the net effect of such a TAX LOSS CARRY to the appropriate investor is as if the Tax Credit is CASH. Taking the ITC as Cash allows a medium sized business to be the TEI. If the ITC is taken as a credit, the other tax liabilities must be huge relative to their investment. Thus it is difficult for small businesses to be the wind investor. It becomes more difficult even to find an IN-STATE investor to use the couple million \$ of state tax credits that can offset other state liabilities. Note the Federal and State credits can be carried forward to future years, but their value diminishes so the investor needs to use them as they are created.

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines; Federal and State Tax Liabilities - STATE NOL CARRYOVER IN PROJECT

Year	State Tax Payable (Credit)	State Tax Excess Credit (Loss)	State Tax Deduction	Federal Tax Deduction (Loss)	Total Federal Income Tax Credit
1	\$ (228,594)	\$ (228,594)	\$ (3,391,500)	\$ (3,312,958)	\$ (3,391,500)
2	\$ (349,362)	\$ (577,956)	\$ (5,426,400)	\$ (5,063,217)	\$ (5,426,400)
3	\$ (773,814)	\$ (773,814)	\$ (2,838,524)	\$ (2,838,524)	\$ (2,838,524)
4	\$ (875,952)	\$ (875,952)	\$ (3,255,840)	\$ (1,480,262)	\$ (1,480,262)
5	\$ (974,102)	\$ (974,102)	\$ (1,953,504)	\$ (1,422,457)	\$ (1,422,457)
6	\$ (1,002,111)	\$ (1,002,111)	\$ (1,953,504)	\$ (976,752)	\$ (405,935)
7	\$ (961,532)	\$ (961,532)	\$ (205,835)	\$ (976,752)	\$ (588,100)
8	\$ (918,012)	\$ (918,012)	\$ (630,736)	\$ (630,736)	\$ (630,736)
9	\$ (871,172)	\$ (871,172)	\$ (237,590)	\$ (678,829)	\$ (678,829)
10	\$ (822,011)	\$ (822,011)	\$ (249,371)	\$ (712,489)	\$ (712,489)
11	\$ (770,134)	\$ (770,134)	\$ (263,141)	\$ (751,830)	\$ (751,830)
12	\$ (705,431)	\$ (705,431)	\$ (328,205)	\$ (937,728)	\$ (937,728)
13	\$ (634,792)	\$ (634,792)	\$ (358,312)	\$ (1,023,750)	\$ (1,023,750)
14	\$ (58,017)	\$ (58,017)	\$ (1,112,687)	\$ (1,112,687)	\$ (1,112,687)
15	\$ (474,894)	\$ (474,894)	\$ (421,639)	\$ (1,204,684)	\$ (1,204,684)
16	\$ (385,201)	\$ (385,201)	\$ (454,963)	\$ (1,299,894)	\$ (1,299,894)
17	\$ (288,706)	\$ (288,706)	\$ (489,467)	\$ (1,398,477)	\$ (1,398,477)
18	\$ (185,165)	\$ (185,165)	\$ (525,212)	\$ (1,500,605)	\$ (1,500,605)
19	\$ (75,425)	\$ (75,425)	\$ (556,649)	\$ (1,590,425)	\$ (1,590,425)
20	\$ (40,782)	\$ (40,782)	\$ (589,456)	\$ (1,684,160)	\$ (1,684,160)
21	\$ (121,553)	\$ (121,553)	\$ (602,298)	\$ (1,761,633)	\$ (1,761,633)
22	\$ (126,136)	\$ (126,136)	\$ (597,279)	\$ (1,706,512)	\$ (1,706,512)
23	\$ (129,400)	\$ (129,400)	\$ (612,231)	\$ (1,749,233)	\$ (1,749,233)
24	\$ (132,746)	\$ (132,746)	\$ (628,060)	\$ (1,923,857)	\$ (1,923,857)
25	\$ (136,175)	\$ (136,175)	\$ (644,284)	\$ (1,973,566)	\$ (1,973,566)
26	\$ (139,890)	\$ (139,890)	\$ (660,913)	\$ (2,024,438)	\$ (2,024,438)
27	\$ (143,293)	\$ (143,293)	\$ (677,958)	\$ (2,076,714)	\$ (2,076,714)
28	\$ (146,986)	\$ (146,986)	\$ (695,430)	\$ (2,130,255)	\$ (2,130,255)
29	\$ (146,376)	\$ (146,376)	\$ (691,094)	\$ (2,121,387)	\$ (2,121,387)
30	\$ (145,750)	\$ (145,750)	\$ (688,080)	\$ (2,112,319)	\$ (2,112,319)

Typical Wind Investment: NO STATE CREDIT CARRY - USED INTERNALLY BY PROJECT AND CARRIED FORWARD: This scenario results in a very inefficient use of the state credits and could result in over 15-20 years of operation before the State Tax Credits are fully used. It is doubtful that they could ultimately be fully utilized before expiring. With very large projects this is too problematic to find a local investment company. For community projects it is crucial to the business model and creates far greater local value besides the financial benefits themselves by keeping the profits local and increasing the local economy. Often the case is that State Credits get carried forward up to 20 years before the project can use them totally to offset the projects state tax liabilities.

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines; Federal and State Tax ITC as CREDIT -NOT CASH - FULL NOL USE

Depreciation Expenses Taxable FEDERAL income Taxable FEDERAL Expenses FULL VALUE	Federal Credit for Pre- Pay Expenses Taxable FEDERAL income (Loss)	Federal Tax Depreciation Credit (\$ less Tax Expense Part)	Federal ITC (\$ less Tax Expense Part)	Federal ITC (\$ less Tax Expense Part)	State Depreciation Credit (\$ less Tax Expense Loss)	State ITC (\$ less Tax Expense Loss)	Taxable Income (Loss)	State Tax Payable Credit (\$ less Tax Expense Credit)	State Tax Payable Credit (\$ less Tax Expense Credit)	Year
\$ (3,990,000)	\$ (3,911,458)	\$ (3,911,458)	\$ (5,670,000)	\$ (7,039,010)	\$ (3,960,000)	\$ (3,911,458)	\$ (3,960,000)	\$ (269,891)	\$ (269,891)	1
\$ (6,020,817)	\$ (6,020,817)	\$ (2,107,286)	\$ (1,194,579)	\$ (6,384,000)	\$ (6,020,817)	\$ (6,020,817)	\$ (6,020,817)	\$ (415,336)	\$ (415,336)	2
\$ (3,830,400)	\$ (3,413,084)	\$ (3,413,084)	\$ (3,830,400)	\$ (3,830,400)	\$ (3,830,400)	\$ (3,413,084)	\$ (3,413,084)	\$ (235,503)	\$ (235,503)	3
\$ (2,298,240)	\$ (1,824,998)	\$ (1,824,998)	\$ (638,749)	\$ (2,298,240)	\$ (1,824,998)	\$ (1,824,998)	\$ (1,824,998)	\$ (125,925)	\$ (125,925)	4
\$ (2,298,240)	\$ (1,767,193)	\$ (1,767,193)	\$ (618,518)	\$ (2,298,240)	\$ (1,767,193)	\$ (1,767,193)	\$ (1,767,193)	\$ (121,936)	\$ (121,936)	5
\$ (1,149,120)	\$ (578,303)	\$ (578,303)	\$ (202,406)	\$ (1,149,120)	\$ (578,303)	\$ (578,303)	\$ (578,303)	\$ (38,903)	\$ (38,903)	6
\$ 588,100	\$ 588,100	\$ 205,835	\$ 206,555	\$ 588,100	\$ 588,100	\$ 40,579	\$ 40,579	\$ 7	\$ 7	
\$ 630,736	\$ 590,157	\$ 222,358	\$ 232,358	\$ 630,736	\$ 630,736	\$ 43,221	\$ 43,221	\$ 8	\$ 8	
\$ 678,329	\$ 655,308	\$ 232,977	\$ 232,977	\$ 678,329	\$ 678,329	\$ 46,839	\$ 46,839	\$ 9	\$ 9	
\$ 712,389	\$ 665,649	\$ 245,934	\$ 245,934	\$ 712,389	\$ 712,389	\$ 49,162	\$ 49,162	\$ 10	\$ 10	
\$ 751,330	\$ 702,668	\$ 310,048	\$ 310,048	\$ 751,330	\$ 751,330	\$ 51,976	\$ 51,976	\$ 11	\$ 11	
\$ 937,728	\$ 885,851	\$ 335,666	\$ 335,666	\$ 937,728	\$ 937,728	\$ 64,703	\$ 64,703	\$ 12	\$ 12	
\$ 1,023,750	\$ 959,046	\$ 364,717	\$ 364,717	\$ 1,023,750	\$ 1,023,750	\$ 70,639	\$ 70,639	\$ 13	\$ 13	
\$ 1,112,387	\$ 1,042,048	\$ 394,768	\$ 394,768	\$ 1,112,387	\$ 1,112,387	\$ 76,775	\$ 76,775	\$ 14	\$ 14	
\$ 1,204,384	\$ 1,127,908	\$ 425,870	\$ 425,870	\$ 1,204,384	\$ 1,204,384	\$ 83,123	\$ 83,123	\$ 15	\$ 15	
\$ 1,289,394	\$ 1,216,770	\$ 458,075	\$ 458,075	\$ 1,289,394	\$ 1,289,394	\$ 89,693	\$ 89,693	\$ 16	\$ 16	
\$ 1,398,477	\$ 1,305,855	\$ 491,439	\$ 491,439	\$ 1,398,477	\$ 1,398,477	\$ 96,495	\$ 96,495	\$ 17	\$ 17	
\$ 1,500,305	\$ 1,404,110	\$ 520,409	\$ 520,409	\$ 1,500,305	\$ 1,500,305	\$ 105,542	\$ 105,542	\$ 18	\$ 18	
\$ 1,590,325	\$ 1,446,884	\$ 551,047	\$ 551,047	\$ 1,590,425	\$ 1,590,425	\$ 109,739	\$ 109,739	\$ 19	\$ 19	
\$ 1,584,160	\$ 1,574,421	\$ 575,889	\$ 575,889	\$ 1,684,160	\$ 1,684,160	\$ 116,207	\$ 116,207	\$ 20	\$ 20	
\$ 1,761,533	\$ 1,645,426	\$ 597,279	\$ 597,279	\$ 1,761,633	\$ 1,761,633	\$ 121,553	\$ 121,553	\$ 21	\$ 21	
\$ 1,828,064	\$ 1,706,512	\$ 612,231	\$ 612,231	\$ 1,828,064	\$ 1,828,064	\$ 126,36	\$ 126,36	\$ 22	\$ 22	
\$ 1,875,369	\$ 1,749,233	\$ 628,060	\$ 628,060	\$ 1,875,369	\$ 1,875,369	\$ 129,400	\$ 129,400	\$ 23	\$ 23	
\$ 1,923,357	\$ 1,794,456	\$ 644,284	\$ 644,284	\$ 1,923,357	\$ 1,923,357	\$ 137,746	\$ 137,746	\$ 24	\$ 24	
\$ 1,973,356	\$ 1,840,810	\$ 660,913	\$ 660,913	\$ 1,973,356	\$ 1,973,356	\$ 136,175	\$ 136,175	\$ 25	\$ 25	
\$ 2,024,398	\$ 1,885,323	\$ 677,958	\$ 677,958	\$ 2,024,398	\$ 2,024,398	\$ 139,690	\$ 139,690	\$ 26	\$ 26	
\$ 2,076,714	\$ 1,937,024	\$ 695,430	\$ 695,430	\$ 2,076,714	\$ 2,076,714	\$ 143,293	\$ 143,293	\$ 27	\$ 27	
\$ 2,130,235	\$ 1,986,942	\$ 691,040	\$ 691,040	\$ 2,130,235	\$ 2,130,235	\$ 146,986	\$ 146,986	\$ 28	\$ 28	
\$ 2,121,387	\$ 1,974,401	\$ 688,080	\$ 688,080	\$ 2,121,387	\$ 2,121,387	\$ 146,750	\$ 146,750	\$ 29	\$ 29	
\$ 2,112,319	\$ 1,965,943	\$ 2,112,319	\$ 2,112,319	\$ 2,112,319	\$ 2,112,319	\$ 145,750	\$ 145,750	\$ 30	\$ 30	

OPTIMUM CASE: This sheet is the most effective financial solution to take the ITC as a true investment tax credit up front. This effectively boosts the Depreciation to 95% as modeled of the total project value. Taking the ITC as cash reduces the depreciation to 85% of the allowable amount which in this model results in a total depreciation value of 80.8% of the total project value. Both cases may be conservative, but clearly the value of taking the ITC as a credit upfront and the full value of the depreciation is a huge benefit to the project in total credits and overall returns. It is hard to say what credits will exist for this type of project in the future.

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines; Federal and State Tax Liabilities - PRODUCTION TAX CREDIT PTC MODEL

	Depreciation Expense (Loss)	Taxable EDITION Income	FEDERAL Credit for PTC	FEDERAL PRODUCTION Credit	State Tax Depreciation Deduction	State DEPRECIATION Full VALUE	Taxable FEDERAL Losses (Loss)	Taxable FEDERAL Expenses (Loss)	FEDERAL Credit for PTC	State Depreciation Deduction	State DEPRECIATION Full VALUE	State DEPRECIATION Losses (Loss)	State Tax DEPRECIATION Deduction	State Tax DEPRECIATION Credit	State Tax Liability	Carryover State Tax Liability
2014	\$ (3,990,000)	\$ (3,911,456)	\$ (75,216)	\$ (1,444,226)	\$ (3,990,000)	\$ (3,911,456)	\$ -	\$ (3,990,000)	\$ -	\$ (269,891)	\$ (269,891)	\$ -	\$ (269,891)	\$ (269,891)	1	
2015	\$ (6,020,817)	\$ (6,020,817)	\$ (46,312)	\$ (1,667,424)	\$ (6,020,817)	\$ (6,020,817)	\$ -	\$ (6,020,817)	\$ -	\$ (415,436)	\$ (415,436)	\$ -	\$ (415,436)	\$ (415,436)	2	
2016	\$ (3,830,400)	\$ (3,413,084)	\$ (472,945)	\$ (1,667,424)	\$ (3,830,400)	\$ (3,413,084)	\$ -	\$ (3,830,400)	\$ -	\$ (235,503)	\$ (235,503)	\$ -	\$ (235,503)	\$ (235,503)	3	
2017	\$ (2,298,240)	\$ (1,824,988)	\$ (484,666)	\$ (1,123,415)	\$ (2,298,240)	\$ (1,824,988)	\$ -	\$ (2,298,240)	\$ -	\$ (125,925)	\$ (125,925)	\$ -	\$ (125,925)	\$ (125,925)	4	
2018	\$ (1,767,193)	\$ (1,767,193)	\$ (496,782)	\$ (1,115,300)	\$ (2,298,240)	\$ (1,767,193)	\$ -	\$ (2,298,240)	\$ -	\$ (121,936)	\$ (121,936)	\$ -	\$ (121,936)	\$ (121,936)	5	
2019	\$ (1,149,120)	\$ (578,303)	\$ (509,202)	\$ (711,608)	\$ (1,149,120)	\$ (578,303)	\$ -	\$ (1,149,120)	\$ -	\$ (39,303)	\$ (39,303)	\$ -	\$ (39,303)	\$ (39,303)	6	
2020	\$ 588,100	\$ 588,100	\$ (527,932)	\$ (316,097)	\$ 588,100	\$ 588,100	\$ -	\$ 588,100	\$ -	\$ 40,579	\$ 40,579	\$ -	\$ 40,579	\$ (1,168,015)	7	
2021	\$ 630,736	\$ 630,736	\$ (314,223)	\$ (310,765)	\$ 630,736	\$ 630,736	\$ -	\$ 630,736	\$ -	\$ 43,521	\$ 43,521	\$ -	\$ 43,521	\$ (1,124,494)	8	
2022	\$ 678,829	\$ 678,829	\$ (548,355)	\$ (310,765)	\$ 678,829	\$ 678,829	\$ -	\$ 678,829	\$ -	\$ 46,339	\$ 46,339	\$ -	\$ 46,339	\$ (1,077,655)	9	
2023	\$ 712,489	\$ 712,489	\$ (562,064)	\$ (312,893)	\$ 712,489	\$ 712,489	\$ -	\$ 712,489	\$ -	\$ 49,162	\$ 49,162	\$ -	\$ 49,162	\$ (1,028,493)	10	
2024	\$ 751,830	\$ 751,830	\$ (528,106)	\$ (264,965)	\$ 751,830	\$ 751,830	\$ -	\$ 751,830	\$ -	\$ 51,876	\$ 51,876	\$ -	\$ 51,876	\$ (976,617)	11	
2025	\$ 937,728	\$ 937,728	\$ (328,205)	\$ 356,312	\$ 937,728	\$ 937,728	\$ -	\$ 937,728	\$ -	\$ 64,703	\$ 64,703	\$ -	\$ 64,703	\$ (911,914)	12	
2026	\$ 1,033,750	\$ 1,023,750	\$ (389,440)	\$ 389,440	\$ 1,023,750	\$ 1,023,750	\$ -	\$ 1,023,750	\$ -	\$ 70,639	\$ 70,639	\$ -	\$ 70,639	\$ (841,275)	13	
2027	\$ 1,112,687	\$ 1,112,687	\$ 421,639	\$ 421,639	\$ 1,112,687	\$ 1,112,687	\$ -	\$ 1,112,687	\$ -	\$ 76,775	\$ 76,775	\$ -	\$ 76,775	\$ (764,500)	14	
2028	\$ 1,204,684	\$ 1,204,684	\$ 454,963	\$ 454,963	\$ 1,204,684	\$ 1,204,684	\$ -	\$ 1,204,684	\$ -	\$ 83,123	\$ 83,123	\$ -	\$ 83,123	\$ (681,376)	15	
2029	\$ 1,299,894	\$ 1,299,894	\$ 489,467	\$ 489,467	\$ 1,299,894	\$ 1,299,894	\$ -	\$ 1,299,894	\$ -	\$ 89,893	\$ 89,893	\$ -	\$ 89,893	\$ (591,684)	16	
2030	\$ 1,388,477	\$ 1,388,477	\$ 525,212	\$ 525,212	\$ 1,388,477	\$ 1,388,477	\$ -	\$ 1,388,477	\$ -	\$ 96,495	\$ 96,495	\$ -	\$ 96,495	\$ (495,189)	17	
2031	\$ 1,500,605	\$ 1,500,605	\$ 556,849	\$ 556,849	\$ 1,500,605	\$ 1,500,605	\$ -	\$ 1,500,605	\$ -	\$ 103,842	\$ 103,842	\$ -	\$ 103,842	\$ (391,647)	18	
2032	\$ 1,580,425	\$ 1,590,425	\$ 589,456	\$ 589,456	\$ 1,580,425	\$ 1,580,425	\$ -	\$ 1,580,425	\$ -	\$ 110,939	\$ 110,939	\$ -	\$ 110,939	\$ (281,908)	19	
2033	\$ 1,684,160	\$ 1,684,160	\$ 616,872	\$ 616,872	\$ 1,684,160	\$ 1,684,160	\$ -	\$ 1,684,160	\$ -	\$ 116,450	\$ 116,450	\$ -	\$ 116,450	\$ (165,701)	20	
2034	\$ 1,781,633	\$ 1,781,633	\$ 638,822	\$ 638,822	\$ 1,781,633	\$ 1,781,633	\$ -	\$ 1,781,633	\$ -	\$ 121,553	\$ 121,553	\$ -	\$ 121,553	\$ (44,148)	21	
2035	\$ 1,880,664	\$ 1,828,064	\$ 671,983	\$ 671,983	\$ 1,880,664	\$ 1,880,664	\$ -	\$ 1,880,664	\$ -	\$ 126,136	\$ 126,136	\$ -	\$ 126,136	\$ 81,988	22	
2036	\$ 1,875,389	\$ 1,793,381	\$ 628,060	\$ 628,060	\$ 1,875,389	\$ 1,875,389	\$ -	\$ 1,875,389	\$ -	\$ 129,400	\$ 129,400	\$ -	\$ 129,400	\$ 123,400	23	
2037	\$ 1,923,857	\$ 1,794,456	\$ 642,284	\$ 642,284	\$ 1,923,857	\$ 1,923,857	\$ -	\$ 1,923,857	\$ -	\$ 132,746	\$ 132,746	\$ -	\$ 132,746	\$ 132,746	24	
2038	\$ 1,973,556	\$ 1,840,810	\$ 660,913	\$ 660,913	\$ 1,973,556	\$ 1,973,556	\$ -	\$ 1,973,556	\$ -	\$ 136,175	\$ 136,175	\$ -	\$ 136,175	\$ 136,175	25	
2039	\$ 2,024,498	\$ 1,888,323	\$ 677,958	\$ 677,958	\$ 2,024,498	\$ 2,024,498	\$ -	\$ 2,024,498	\$ -	\$ 139,990	\$ 139,990	\$ -	\$ 139,990	\$ 139,990	26	
2040	\$ 2,076,714	\$ 1,937,024	\$ 695,430	\$ 695,430	\$ 2,076,714	\$ 2,076,714	\$ -	\$ 2,076,714	\$ -	\$ 143,293	\$ 143,293	\$ -	\$ 143,293	\$ 143,293	27	
2041	\$ 2,130,235	\$ 1,986,942	\$ 691,140	\$ 691,140	\$ 2,130,235	\$ 2,130,235	\$ -	\$ 2,130,235	\$ -	\$ 146,986	\$ 146,986	\$ -	\$ 146,986	\$ 146,986	28	
2042	\$ 2,121,387	\$ 1,974,401	\$ 688,080	\$ 688,080	\$ 2,121,387	\$ 2,121,387	\$ -	\$ 2,121,387	\$ -	\$ 146,376	\$ 146,376	\$ -	\$ 146,376	\$ 146,376	29	
2043	\$ 2,112,319	\$ 1,965,943	\$ 688,080	\$ 688,080	\$ 2,112,319	\$ 2,112,319	\$ -	\$ 2,112,319	\$ -	\$ 145,750	\$ 145,750	\$ -	\$ 145,750	\$ 145,750	30	

Special PRODUCTION TAX CREDIT PTC Case: This scenario shows the effect of the PTC credits with the full depreciation value. The state credits and payable tax are the same as the ITC model, the Federal part of the model is significantly different of course. The total federal credits are driven completely by energy KWh production levels and produce through 10 full years from project on-line date. Often companies that can fully use the PTC do not have tax liabilities in the states of the project construction. The far right column shows the effect of carrying the state credit forward instead of offsetting other business State Tax liabilities more than 20 years. Some portion of those credits may expire before using them in that time frame.

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines;

After Tax Cash and Credits Profitability Statement

Year	TOTAL Revenues	TOTAL Expenses	Net Operating Cash Flow	Net AFTER TAX PAYMENTS Cash Flow	Federal Tax Payable	State Tax Payable	Federal CREDITS - Capped to Labdities	State Tax CREDITS - Capped to Business	Total Project Returns - Cash and Credit Returns.	ITC Equivalent Equity	20 Year IRR:
2014	\$ 239,158	\$ (206,180)	\$ 32,978	\$ 1 Yr NPV = \$1,941,449 at 12%	\$ -	\$ -	\$ 80,044	\$ 80,044	\$ 1,159,535	\$ 5,670,000	15%
2015	\$ 1,486,801	\$ (1,386,758)	\$ 80,044	\$ 21 Yr NPV = \$0,659,369 at 12%	\$ 32,978	\$ 32,978	\$ 116,713	\$ 116,713	\$ 1,772,126	\$ 2,201,532	
2016	\$ 1,503,471	\$ (1,386,758)	\$ 116,713	\$ 21 Yr NPV = \$3,838,906 at 12%	\$ -	\$ -	\$ 983,483	\$ 983,483	\$ 195,858	\$ 1,306,055	
2017	\$ 1,541,058	\$ (1,386,959)	\$ 154,099	\$ 21 Yr NPV = \$0,756,813 at 12%	\$ -	\$ -	\$ 154,099	\$ 154,099	\$ 518,092	\$ 102,138	
2018	\$ 1,579,585	\$ (1,387,365)	\$ 192,219	\$ 21 Yr NPV = \$5,235,087 at 12%	\$ -	\$ -	\$ 192,219	\$ 192,219	\$ 98,150	\$ 788,229	
2019	\$ 1,619,074	\$ (1,407,982)	\$ 211,092	\$ 21 Yr NPV = \$5,235,087 at 12%	\$ -	\$ -	\$ 211,092	\$ 211,092	\$ 142,077	\$ 28,009	
2020	\$ 1,659,551	\$ (1,453,363)	\$ 206,183	\$ 21 Yr NPV = \$1,941,449 at 12%	\$ 205,835	\$ 40,579	\$ (40,226)	\$ (40,226)	\$ -	\$ -	(40,226)
2021	\$ 1,701,040	\$ (1,475,772)	\$ 225,268	\$ 21 Yr NPV = \$0,659,369 at 12%	\$ 206,555	\$ 43,521	\$ (24,807)	\$ (24,807)	\$ -	\$ -	(24,807)
2022	\$ 1,743,566	\$ (1,495,213)	\$ 248,353	\$ 21 Yr NPV = \$3,838,906 at 12%	\$ 222,358	\$ 43,639	\$ (20,844)	\$ (20,844)	\$ -	\$ -	(26,844)
2023	\$ 1,787,155	\$ (1,531,694)	\$ 255,462	\$ 21 Yr NPV = \$0,756,813 at 12%	\$ 232,977	\$ 49,162	\$ (26,677)	\$ (26,677)	\$ -	\$ -	(26,677)
2024	\$ 1,831,834	\$ (1,565,219)	\$ 266,615	\$ 21 Yr NPV = \$5,235,087 at 12%	\$ 245,934	\$ 51,876	\$ (31,196)	\$ (31,196)	\$ -	\$ -	(31,196)
2025	\$ 1,984,997	\$ (1,582,412)	\$ 422,585	\$ 21 Yr NPV = \$1,941,449 at 12%	\$ 205,048	\$ 64,703	\$ 47,834	\$ 47,834	\$ -	\$ -	47,834
2026	\$ 2,034,622	\$ (1,587,787)	\$ 476,834	\$ 21 Yr NPV = \$0,659,369 at 12%	\$ 335,666	\$ 70,639	\$ 70,529	\$ 70,529	\$ -	\$ -	70,529
2027	\$ 2,085,487	\$ (1,553,448)	\$ 532,039	\$ 21 Yr NPV = \$3,838,906 at 12%	\$ 364,717	\$ 76,775	\$ 90,547	\$ 90,547	\$ -	\$ -	90,547
2028	\$ 2,137,624	\$ (1,549,402)	\$ 588,223	\$ 21 Yr NPV = \$0,756,813 at 12%	\$ 394,768	\$ 83,123	\$ 110,332	\$ 110,332	\$ -	\$ -	110,332
2029	\$ 2,191,065	\$ (1,545,654)	\$ 645,411	\$ 21 Yr NPV = \$5,235,087 at 12%	\$ 425,870	\$ 89,693	\$ 129,848	\$ 129,848	\$ -	\$ -	129,848
2030	\$ 2,245,842	\$ (1,542,214)	\$ 603,627	\$ 21 Yr NPV = \$1,941,449 at 12%	\$ 458,075	\$ 96,495	\$ 149,058	\$ 149,058	\$ -	\$ -	149,058
2031	\$ 2,301,988	\$ (1,539,089)	\$ 762,898	\$ 21 Yr NPV = \$0,659,369 at 12%	\$ 491,439	\$ 103,542	\$ 167,918	\$ 167,918	\$ -	\$ -	167,918
2032	\$ 2,359,537	\$ (1,552,319)	\$ 807,218	\$ 21 Yr NPV = \$3,838,906 at 12%	\$ 520,409	\$ 109,739	\$ 177,070	\$ 177,070	\$ -	\$ -	177,070
2033	\$ 2,414,526	\$ (1,565,879)	\$ 852,646	\$ 21 Yr NPV = \$0,756,813 at 12%	\$ 551,047	\$ 116,207	\$ 185,392	\$ 185,392	\$ -	\$ -	185,392
2034	\$ 2,478,989	\$ (1,449,328)	\$ 1,029,661	\$ 21 Yr NPV = \$5,235,087 at 12%	\$ 575,899	\$ 121,553	\$ 332,209	\$ 332,209	\$ -	\$ -	332,209
2035	\$ 2,540,964	\$ (712,899)	\$ 1,828,064	\$ 21 Yr NPV = \$1,941,449 at 12%	\$ 597,279	\$ 126,136	\$ 1,104,649	\$ 1,104,649	\$ -	\$ -	1,104,649
2036	\$ 2,604,488	\$ (729,119)	\$ 1,875,369	\$ 21 Yr NPV = \$0,659,369 at 12%	\$ 612,231	\$ 129,400	\$ 1,133,737	\$ 1,133,737	\$ -	\$ -	1,133,737
2037	\$ 2,669,600	\$ (745,743)	\$ 1,923,857	\$ 21 Yr NPV = \$3,838,906 at 12%	\$ 628,606	\$ 132,446	\$ 1,163,051	\$ 1,163,051	\$ -	\$ -	1,163,051
2038	\$ 2,736,340	\$ (762,784)	\$ 1,973,556	\$ 21 Yr NPV = \$0,756,813 at 12%	\$ 644,284	\$ 138,175	\$ 1,193,097	\$ 1,193,097	\$ -	\$ -	1,193,097
2039	\$ 2,804,748	\$ (780,250)	\$ 2,024,498	\$ 21 Yr NPV = \$5,235,087 at 12%	\$ 650,913	\$ 139,690	\$ 1,223,895	\$ 1,223,895	\$ -	\$ -	1,223,895
2040	\$ 2,874,867	\$ (796,153)	\$ 2,076,714	\$ 21 Yr NPV = \$1,941,449 at 12%	\$ 677,958	\$ 143,293	\$ 1,255,462	\$ 1,255,462	\$ -	\$ -	1,255,462
2041	\$ 2,946,739	\$ (816,504)	\$ 2,130,235	\$ 21 Yr NPV = \$0,659,369 at 12%	\$ 695,330	\$ 146,986	\$ 1,287,819	\$ 1,287,819	\$ -	\$ -	1,287,819
2042	\$ 2,956,701	\$ (835,313)	\$ 2,121,387	\$ 21 Yr NPV = \$3,838,906 at 12%	\$ 691,040	\$ 146,376	\$ 1,283,971	\$ 1,283,971	\$ -	\$ -	1,283,971
2043	\$ 2,966,911	\$ (854,893)	\$ 2,112,319	\$ 21 Yr NPV = \$0,756,813 at 12%	\$ 698,080	\$ 145,750	\$ 1,278,489	\$ 1,278,489	\$ -	\$ -	1,278,489
Totals	\$ 64,012,329	(37,136,155)	\$ 26,876,174	\$ 11,436,872	\$ 2,411,000	\$ 5,083,173	\$ 1,002,111	\$ 13,028,302	\$ 19,113,587	\$ 19,113,587	

Note: NPV totals are simply the equivalent value of the following revenue streams which represent after tax cash and credits assuming each are equally usable by an investor. (Thus a Federal and a State credit in a given year is worth the same equivalent as the cash money which is quite low. Clearly the wind business is more credit driven than cash.

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines; After Tax Cash and Credits Profitability - Internal Carryover of State Tax Credits Only

Year	TOTAL Revenues	TOTAL Expenses	Net Operating Cash Flow	Federal Tax Payable	State Tax Payable	Net AFTER TAX CREDITS - Cash Flow	Total CREDITS - Cash Flow	State Tax CREDITS - Cash Flow	General Business Tax CREDITS - Cash Flow	Capitalized to Other Businesses Tax CREDITS - Cash Flow	Total Project Returns - Cash and Credit Values	ITC Equivalent Equity	21 Yr NPV = \$4,622,627 at 12%	20 Year IRR: 11%	
2014	\$ 239,158	\$ (206,180)	\$ 32,978	\$ -	\$ -	\$ 32,978	\$ 1,159,535	\$ 80,044	\$ 116,713	\$ -	\$ 1,192,513	\$ 5,670,000	\$ 1,192,513		
2015	\$ 1,466,801	\$ (1,386,758)	\$ 80,044	\$ -	\$ -	\$ 80,044	\$ 1,772,126	\$ -	\$ -	\$ -	\$ 1,852,170	\$ 4,830,000	\$ 1,852,170		
2016	\$ 1,503,471	\$ (1,386,758)	\$ 116,713	\$ -	\$ -	\$ 116,713	\$ 993,483	\$ -	\$ -	\$ -	\$ 1,110,197	\$ -	\$ 1,110,197		
2017	\$ 1,541,058	\$ (1,386,959)	\$ 154,099	\$ -	\$ -	\$ 154,099	\$ 518,092	\$ -	\$ -	\$ -	\$ 672,191	\$ -	\$ 672,191		
2018	\$ 1,579,585	\$ (1,387,365)	\$ 192,219	\$ 5	\$ -	\$ 192,219	\$ 497,360	\$ -	\$ -	\$ -	\$ 690,080	\$ -	\$ 690,080		
2019	\$ 1,619,074	\$ (1,407,982)	\$ 211,092	\$ 6	\$ -	\$ 211,092	\$ 142,077	\$ -	\$ -	\$ -	\$ 353,169	\$ -	\$ 353,169		
2020	\$ 1,659,551	\$ (1,453,363)	\$ 206,188	\$ 7	\$ 205,835	\$ -	\$ 353	\$ -	\$ -	\$ -	\$ 353	\$ -	\$ 353		
2021	\$ 1,701,040	\$ (1,475,772)	\$ 225,268	\$ 8	\$ 220,758	\$ -	\$ 4,511	\$ -	\$ -	\$ -	\$ 4,511	\$ -	\$ 4,511		
2022	\$ 1,743,566	\$ (1,495,213)	\$ 248,353	\$ 9	\$ 237,590	\$ -	\$ 10,763	\$ -	\$ -	\$ -	\$ 10,763	\$ -	\$ 10,763		
2023	\$ 1,787,155	\$ (1,531,694)	\$ 255,462	\$ 10	\$ 249,371	\$ -	\$ 6,091	\$ -	\$ -	\$ -	\$ 6,091	\$ -	\$ 6,091		
2024	\$ 1,831,834	\$ (1,565,219)	\$ 266,615	\$ 11	\$ 263,141	\$ -	\$ 3,474	\$ -	\$ -	\$ -	\$ 3,474	\$ -	\$ 3,474		
2025	\$ 1,984,997	\$ (1,562,412)	\$ 422,585	\$ 12	\$ 328,205	\$ -	\$ 94,380	\$ -	\$ -	\$ -	\$ 94,380	\$ -	\$ 94,380		
2026	\$ 2,034,622	\$ (1,557,787)	\$ 476,834	\$ 13	\$ 358,312	\$ -	\$ 118,522	\$ -	\$ -	\$ -	\$ 118,522	\$ -	\$ 118,522		
2027	\$ 2,085,487	\$ (1,553,448)	\$ 532,039	\$ 14	\$ 389,440	\$ -	\$ 142,599	\$ -	\$ -	\$ -	\$ 142,599	\$ -	\$ 142,599		
2028	\$ 2,137,624	\$ (1,549,402)	\$ 588,223	\$ 15	\$ 421,639	\$ -	\$ 166,584	\$ -	\$ -	\$ -	\$ 166,584	\$ -	\$ 166,584		
2029	\$ 2,191,065	\$ (1,545,654)	\$ 645,411	\$ 16	\$ 454,963	\$ -	\$ 190,448	\$ -	\$ -	\$ -	\$ 190,448	\$ -	\$ 190,448		
2030	\$ 2,245,842	\$ (1,542,214)	\$ 703,627	\$ 17	\$ 489,467	\$ -	\$ 214,160	\$ -	\$ -	\$ -	\$ 214,160	\$ -	\$ 214,160		
2031	\$ 2,301,988	\$ (1,539,089)	\$ 762,898	\$ 18	\$ 525,212	\$ -	\$ 237,687	\$ -	\$ -	\$ -	\$ 237,687	\$ -	\$ 237,687		
2032	\$ 2,359,537	\$ (1,552,319)	\$ 807,218	\$ 19	\$ 556,649	\$ -	\$ 260,570	\$ -	\$ -	\$ -	\$ 260,570	\$ -	\$ 260,570		
2033	\$ 2,418,526	\$ (1,565,879)	\$ 852,646	\$ 20	\$ 589,486	\$ 40,782	\$ 222,409	\$ -	\$ -	\$ -	\$ 222,409	\$ -	\$ 222,409		
2034	\$ 2,478,989	\$ (1,449,328)	\$ 1,029,661	\$ 21	\$ 602,288	\$ 121,553	\$ 305,810	\$ -	\$ -	\$ -	\$ 305,810	\$ -	\$ 305,810		
2035	\$ 2,540,964	\$ (712,899)	\$ 1,828,064	\$ 22	\$ 597,279	\$ 126,136	\$ 1,104,649	\$ -	\$ -	\$ -	\$ 1,104,649	\$ -	\$ 1,104,649		
2036	\$ 2,604,488	\$ (729,119)	\$ 1,875,369	\$ 23	\$ 612,231	\$ 129,400	\$ 1,133,737	\$ -	\$ -	\$ -	\$ 1,133,737	\$ -	\$ 1,133,737		
2037	\$ 2,669,600	\$ (745,743)	\$ 1,923,857	\$ 24	\$ 628,060	\$ 132,746	\$ 1,163,051	\$ -	\$ -	\$ -	\$ 1,163,051	\$ -	\$ 1,163,051		
2038	\$ 2,736,340	\$ (762,784)	\$ 1,973,556	\$ 25	\$ 644,284	\$ 136,175	\$ 1,193,097	\$ -	\$ -	\$ -	\$ 1,193,097	\$ -	\$ 1,193,097		
2039	\$ 2,804,748	\$ (780,250)	\$ 2,024,498	\$ 26	\$ 660,913	\$ 139,690	\$ 1,223,895	\$ -	\$ -	\$ -	\$ 1,223,895	\$ -	\$ 1,223,895		
2040	\$ 2,874,867	\$ (798,153)	\$ 2,076,714	\$ 27	\$ 677,953	\$ 143,293	\$ 1,255,462	\$ -	\$ -	\$ -	\$ 1,255,462	\$ -	\$ 1,255,462		
2041	\$ 2,946,739	\$ (816,504)	\$ 2,130,235	\$ 28	\$ 695,430	\$ 146,986	\$ 1,287,819	\$ -	\$ -	\$ -	\$ 1,287,819	\$ -	\$ 1,287,819		
2042	\$ 2,956,701	\$ (835,313)	\$ 2,121,387	\$ 29	\$ 691,040	\$ 146,376	\$ 1,283,971	\$ -	\$ -	\$ -	\$ 1,283,971	\$ -	\$ 1,283,971		
2043	\$ 2,966,911	\$ (854,593)	\$ 2,112,319	\$ 30	\$ 688,080	\$ 145,750	\$ 1,278,489	\$ -	\$ -	\$ -	\$ 1,278,489	\$ -	\$ 1,278,489		
Totals	64,012,329	(371,136,155)	26,876,174		11,787,611	1,408,888	5,083,173				-	18,762,848		18,762,848	

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines;

After Tax Cash and Credits Profitability - Using ITC as Year 0 Immediate Credit instead of Cash Payment

Year	TOTAL Revenues	TOTAL Expenses	Net Operating Cash Flow	After Expenses incl. Loan Payments	Contract Year	21 Yr NPV = \$1,941,449 at 12%	Net AFTER TAX Cash Flow	DIAHDO State Tax Paid from PSS	Federal Tax Paid from PSS	DAHDO State Tax Payable from Net AFTER TAX Payments	Federal Credits - Capitalized to Other Businesses	State Tax Credits - Capitalized to Other Businesses	Total Projected Credit Returns - Cash and Credit Values	ITC Equivalent Equity	21 Yr NPV = \$11,223,055 at 12%	21 Yr NPV = \$0,909,217 at 12%	20 Year IRR: 16%	
2014	\$ 239,158	\$ (206,180)	\$ 32,978	\$ 1	\$ 32,978	\$ 32,978	\$ 32,978	\$ -	\$ -	\$ -	\$ 80,044	\$ 2	\$ 80,044	\$ 269,891	\$ 7,039,010	\$ 269,891	\$ 7,341,879	
2015	\$ 1,466,801	\$ (1,386,758)	\$ 80,044	\$ 2	\$ 80,044	\$ 80,044	\$ 80,044	\$ -	\$ -	\$ -	\$ 116,713	\$ 3	\$ 116,713	\$ 415,436	\$ 2,602,766	\$ 415,436	\$ 2,602,766	
2016	\$ 1,503,471	\$ (1,386,758)	\$ 116,713	\$ 3	\$ 116,713	\$ 116,713	\$ 116,713	\$ -	\$ -	\$ -	\$ 154,099	\$ 4	\$ 154,099	\$ 194,579	\$ 235,503	\$ 194,579	\$ 1,546,796	
2017	\$ 1,541,058	\$ (1,386,959)	\$ 154,099	\$ 4	\$ 154,099	\$ 154,099	\$ 154,099	\$ -	\$ -	\$ -	\$ 154,099	\$ 5	\$ 154,099	\$ 638,749	\$ 125,925	\$ 638,749	\$ 918,773	
2018	\$ 1,579,585	\$ (1,387,365)	\$ 192,219	\$ 5	\$ 192,219	\$ 192,219	\$ 192,219	\$ -	\$ -	\$ -	\$ 211,092	\$ 6	\$ 211,092	\$ 618,518	\$ 121,936	\$ 618,518	\$ 932,673	
2019	\$ 1,619,074	\$ (1,407,982)	\$ 211,092	\$ 6	\$ 211,092	\$ 211,092	\$ 211,092	\$ -	\$ -	\$ -	\$ 202,406	\$ 7	\$ 202,406	\$ 40,579	\$ 40,226	\$ 39,903	\$ 455,401	
2020	\$ 1,659,551	\$ (1,453,363)	\$ 206,188	\$ 7	\$ 206,188	\$ 206,188	\$ 206,188	\$ -	\$ -	\$ -	\$ 205,835	\$ 8	\$ 205,835	\$ 43,521	\$ 40,226	\$ -	\$ 40,226	
2021	\$ 1,701,040	\$ (1,475,772)	\$ 225,268	\$ 8	\$ 225,268	\$ 225,268	\$ 225,268	\$ -	\$ -	\$ -	\$ 206,555	\$ 9	\$ 206,555	\$ 43,521	\$ 40,226	\$ -	\$ 40,226	
2022	\$ 1,743,566	\$ (1,495,213)	\$ 248,353	\$ 9	\$ 248,353	\$ 248,353	\$ 248,353	\$ -	\$ -	\$ -	\$ 222,358	\$ 10	\$ 222,358	\$ 46,839	\$ 40,226	\$ -	\$ 40,226	
2023	\$ 1,787,155	\$ (1,531,694)	\$ 255,462	\$ 10	\$ 255,462	\$ 255,462	\$ 255,462	\$ -	\$ -	\$ -	\$ 232,977	\$ 11	\$ 232,977	\$ 49,162	\$ 40,226	\$ -	\$ 40,226	
2024	\$ 1,831,834	\$ (1,565,219)	\$ 266,615	\$ 11	\$ 266,615	\$ 266,615	\$ 266,615	\$ -	\$ -	\$ -	\$ 245,934	\$ 12	\$ 245,934	\$ 51,876	\$ 40,226	\$ -	\$ 40,226	
2025	\$ 1,984,997	\$ (1,562,412)	\$ 422,585	\$ 12	\$ 422,585	\$ 422,585	\$ 422,585	\$ -	\$ -	\$ -	\$ 310,048	\$ 13	\$ 310,048	\$ 64,703	\$ 40,226	\$ -	\$ 40,226	
2026	\$ 2,034,622	\$ (1,557,787)	\$ 476,834	\$ 13	\$ 476,834	\$ 476,834	\$ 476,834	\$ -	\$ -	\$ -	\$ 335,666	\$ 14	\$ 335,666	\$ 70,639	\$ 40,226	\$ -	\$ 40,226	
2027	\$ 2,085,487	\$ (1,553,448)	\$ 532,039	\$ 14	\$ 532,039	\$ 532,039	\$ 532,039	\$ -	\$ -	\$ -	\$ 364,717	\$ 15	\$ 364,717	\$ 76,775	\$ 40,226	\$ -	\$ 40,226	
2028	\$ 2,137,624	\$ (1,549,402)	\$ 588,223	\$ 15	\$ 588,223	\$ 588,223	\$ 588,223	\$ -	\$ -	\$ -	\$ 394,768	\$ 16	\$ 394,768	\$ 83,123	\$ 40,226	\$ -	\$ 40,226	
2029	\$ 2,191,065	\$ (1,545,654)	\$ 645,411	\$ 16	\$ 645,411	\$ 645,411	\$ 645,411	\$ -	\$ -	\$ -	\$ 425,870	\$ 17	\$ 425,870	\$ 89,693	\$ 40,226	\$ -	\$ 40,226	
2030	\$ 2,245,842	\$ (1,542,214)	\$ 703,627	\$ 17	\$ 703,627	\$ 703,627	\$ 703,627	\$ -	\$ -	\$ -	\$ 458,075	\$ 18	\$ 458,075	\$ 96,495	\$ 40,226	\$ -	\$ 40,226	
2031	\$ 2,301,988	\$ (1,539,089)	\$ 762,898	\$ 18	\$ 762,898	\$ 762,898	\$ 762,898	\$ -	\$ -	\$ -	\$ 491,439	\$ 19	\$ 491,439	\$ 103,542	\$ 40,226	\$ -	\$ 40,226	
2032	\$ 2,359,537	\$ (1,539,319)	\$ 807,218	\$ 19	\$ 807,218	\$ 807,218	\$ 807,218	\$ -	\$ -	\$ -	\$ 520,409	\$ 20	\$ 520,409	\$ 103,542	\$ 40,226	\$ -	\$ 40,226	
2033	\$ 2,418,526	\$ (1,565,879)	\$ 852,646	\$ 20	\$ 852,646	\$ 852,646	\$ 852,646	\$ -	\$ -	\$ -	\$ 551,047	\$ 21	\$ 551,047	\$ 116,207	\$ 40,226	\$ -	\$ 40,226	
2034	\$ 2,478,989	\$ (1,449,328)	\$ 1,029,661	\$ 21	\$ 1,029,661	\$ 1,029,661	\$ 1,029,661	\$ -	\$ -	\$ -	\$ 575,899	\$ 22	\$ 575,899	\$ 121,553	\$ 40,226	\$ -	\$ 40,226	
2035	\$ 2,540,964	\$ (712,899)	\$ 1,828,064	\$ 22	\$ 1,828,064	\$ 1,828,064	\$ 1,828,064	\$ -	\$ -	\$ -	\$ 597,279	\$ 23	\$ 597,279	\$ 126,136	\$ 40,226	\$ -	\$ 40,226	
2036	\$ 2,604,488	\$ (729,119)	\$ 1,875,369	\$ 23	\$ 1,875,369	\$ 1,875,369	\$ 1,875,369	\$ -	\$ -	\$ -	\$ 612,231	\$ 24	\$ 612,231	\$ 129,400	\$ 40,226	\$ -	\$ 40,226	
2037	\$ 2,669,600	\$ (745,743)	\$ 1,923,857	\$ 24	\$ 1,923,857	\$ 1,923,857	\$ 1,923,857	\$ -	\$ -	\$ -	\$ 628,060	\$ 25	\$ 628,060	\$ 132,746	\$ 40,226	\$ -	\$ 40,226	
2038	\$ 2,736,340	\$ (762,784)	\$ 1,973,556	\$ 25	\$ 1,973,556	\$ 1,973,556	\$ 1,973,556	\$ -	\$ -	\$ -	\$ 644,284	\$ 26	\$ 644,284	\$ 136,175	\$ 40,226	\$ -	\$ 40,226	
2039	\$ 2,804,748	\$ (780,250)	\$ 2,024,498	\$ 26	\$ 2,024,498	\$ 2,024,498	\$ 2,024,498	\$ -	\$ -	\$ -	\$ 660,913	\$ 27	\$ 660,913	\$ 139,690	\$ 40,226	\$ -	\$ 40,226	
2040	\$ 2,874,867	\$ (798,153)	\$ 2,076,714	\$ 27	\$ 2,076,714	\$ 2,076,714	\$ 2,076,714	\$ -	\$ -	\$ -	\$ 677,958	\$ 28	\$ 677,958	\$ 143,293	\$ 40,226	\$ -	\$ 40,226	
2041	\$ 2,946,739	\$ (816,504)	\$ 2,120,235	\$ 28	\$ 2,120,235	\$ 2,120,235	\$ 2,120,235	\$ -	\$ -	\$ -	\$ 695,430	\$ 29	\$ 695,430	\$ 146,986	\$ 40,226	\$ -	\$ 40,226	
2042	\$ 2,956,701	\$ (835,313)	\$ 2,121,387	\$ 29	\$ 2,121,387	\$ 2,121,387	\$ 2,121,387	\$ -	\$ -	\$ -	\$ 691,040	\$ 30	\$ 691,040	\$ 146,376	\$ 40,226	\$ -	\$ 40,226	
2043	\$ 2,966,911	\$ (854,593)	\$ 2,112,319	\$ 30	\$ 2,112,319	\$ 2,112,319	\$ 2,112,319	\$ -	\$ -	\$ -	\$ 688,080	\$ 31	\$ 688,080	\$ 145,750	\$ 40,226	\$ -	\$ 40,226	
Totals	64,012,329	(37,136,155)	26,876,174	24,111,000	11,028,302	11,028,302	11,028,302	-	-	-	1,278,489	-	1,278,489	-	1,278,489	1,278,489	1,278,489	26,037,444



RENAISSANCE
Engineering & Design

CONFIDENTIAL and PROPRIETARY
Page 7c AfterTax CF ITC as Credit

4/25/2013

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines; After Tax Cash and Credits Profitability - PTC Production Tax Credits instead of ITC

Year	TOTAL Revenues	TOTAL Expenses	Net Operating Cash Flow	Net AFTER TAX Cash Flow	Federal Tax Payable	State Tax Payable	Federal CREDITS - Capitalized to Other Businesses Tax	State Tax CREDITS - Capitalized to Other Businesses Tax	Total Project Returns - Equity Values	Cash and Credit Returns - Equity Amnt	ITC Equivalent Equity	20 Year IRR:
2014	\$ 239,158	\$ (206,180)	\$ 32,978	\$ 21 Yr NPV = \$1,941,449 at 12%	\$ -	\$ -	\$ 32,978	\$ 32,978	\$ 269,891	\$ 1,747,094	\$ 5,670,000	7%
2015	\$ 1,466,804	\$ (1,386,758)	\$ 80,044	\$ 21 Yr NPV = \$0,996,317 at 12%	\$ -	\$ -	\$ 80,044	\$ 80,044	\$ 415,436	\$ 3,064,078	\$ 4,830,000	
2016	\$ 1,503,471	\$ (1,386,758)	\$ 116,713	\$ 21 Yr NPV = \$6,790,132 at 12%	\$ -	\$ -	\$ 116,713	\$ 116,713	\$ 235,503	\$ 2,019,640		
2017	\$ 1,541,058	\$ (1,386,959)	\$ 154,099	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 154,099	\$ 154,099	\$ 125,925	\$ 1,403,439		
2018	\$ 1,579,585	\$ (1,387,365)	\$ 192,219	\$ 21 Yr NPV = \$1,115,300 at 12%	\$ -	\$ -	\$ 192,219	\$ 192,219	\$ 121,936	\$ 1,424,456		
2019	\$ 1,619,074	\$ (1,407,982)	\$ 211,092	\$ 21 Yr NPV = \$6,790,132 at 12%	\$ -	\$ -	\$ 211,092	\$ 211,092	\$ 39,903	\$ 962,603		
2020	\$ 1,659,551	\$ (1,453,363)	\$ 206,188	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 40,579	\$ 40,579	\$ 316,097	\$ -		
2021	\$ 1,701,040	\$ (1,475,772)	\$ 225,268	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 43,521	\$ 43,521	\$ 314,223	\$ -		
2022	\$ 1,743,566	\$ (1,495,213)	\$ 248,353	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 46,839	\$ 46,839	\$ 310,765	\$ -		
2023	\$ 1,787,155	\$ (1,531,694)	\$ 255,462	\$ 21 Yr NPV = \$1,115,300 at 12%	\$ -	\$ -	\$ 49,162	\$ 49,162	\$ 206,300	\$ 312,693		
2024	\$ 1,831,834	\$ (1,565,219)	\$ 266,615	\$ 21 Yr NPV = \$6,790,132 at 12%	\$ -	\$ -	\$ 51,876	\$ 51,876	\$ 214,738	\$ 264,965		
2025	\$ 1,984,997	\$ (1,562,412)	\$ 422,585	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 328,205	\$ 328,205	\$ 64,703	\$ 29,677		
2026	\$ 2,034,622	\$ (1,557,787)	\$ 476,834	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 358,312	\$ 358,312	\$ 70,639	\$ 47,883		
2027	\$ 2,085,487	\$ (1,553,039)	\$ 532,039	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 389,440	\$ 389,440	\$ 76,775	\$ 65,823		
2028	\$ 2,137,624	\$ (1,549,402)	\$ 568,223	\$ 21 Yr NPV = \$1,115,300 at 12%	\$ -	\$ -	\$ 421,639	\$ 421,639	\$ 83,123	\$ 83,460		
2029	\$ 2,191,065	\$ (1,545,654)	\$ 645,411	\$ 21 Yr NPV = \$6,790,132 at 12%	\$ -	\$ -	\$ 454,933	\$ 454,933	\$ 89,693	\$ 100,755		
2030	\$ 2,245,842	\$ (1,542,214)	\$ 703,627	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 489,467	\$ 489,467	\$ 117,665	\$ -		
2031	\$ 2,301,988	\$ (1,539,089)	\$ 762,898	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 525,212	\$ 525,212	\$ 103,542	\$ 134,145		
2032	\$ 2,359,537	\$ (1,539,319)	\$ 807,218	\$ 21 Yr NPV = \$1,115,300 at 12%	\$ -	\$ -	\$ 556,649	\$ 556,649	\$ 109,739	\$ 140,830		
2033	\$ 2,418,526	\$ (1,565,879)	\$ 852,646	\$ 21 Yr NPV = \$6,790,132 at 12%	\$ -	\$ -	\$ 589,456	\$ 589,456	\$ 116,207	\$ 146,983		
2034	\$ 2,478,989	\$ (1,449,328)	\$ 1,029,661	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 616,572	\$ 616,572	\$ 121,553	\$ 291,536		
2035	\$ 2,540,964	\$ (712,899)	\$ 1,828,064	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 639,822	\$ 639,822	\$ 126,136	\$ 1,062,105		
2036	\$ 2,604,488	\$ (729,119)	\$ 1,875,369	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 627,633	\$ 627,633	\$ 129,400	\$ 1,118,285		
2037	\$ 2,669,600	\$ (745,743)	\$ 1,923,857	\$ 21 Yr NPV = \$1,115,300 at 12%	\$ -	\$ -	\$ 628,060	\$ 628,060	\$ 132,46	\$ 1,163,051		
2038	\$ 2,736,340	\$ (762,784)	\$ 1,973,556	\$ 21 Yr NPV = \$6,790,132 at 12%	\$ -	\$ -	\$ 644,284	\$ 644,284	\$ 136,175	\$ 1,193,097		
2039	\$ 2,804,748	\$ (780,250)	\$ 2,024,498	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 660,913	\$ 660,913	\$ 139,690	\$ 1,223,895		
2040	\$ 2,874,867	\$ (798,153)	\$ 2,076,714	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 677,958	\$ 677,958	\$ 143,933	\$ 1,255,462		
2041	\$ 2,946,739	\$ (816,504)	\$ 2,130,235	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 695,430	\$ 695,430	\$ 146,986	\$ 1,287,819		
2042	\$ 2,956,701	\$ (835,313)	\$ 2,121,387	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 691,040	\$ 691,040	\$ 146,376	\$ 1,283,971		
2043	\$ 2,966,911	\$ (854,593)	\$ 2,112,319	\$ 21 Yr NPV = \$0,909,217 at 12%	\$ -	\$ -	\$ 688,080	\$ 688,080	\$ 145,50	\$ 1,278,489		
Totals	64,012,329	(37,136,155)	26,876,174	21 Yr NPV = \$10,149,312	\$ 10,683,185	2,411,000	10,149,312	2,411,000	10,683,185	25,139,895	\$ 2,411,000	Page 7d AfterTax CF PTC

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines;

20 Year - UNLEVERAGED - After Tax Returns - ITC TAKEN AS CASH - 85% Allowable Depreciation

Year	Total REVENUES	Total EXPENSES	Net INCOME - CASH With No Debt	Federal Deduction Expenses	Taxable Income	Federal Tax Credit	Excess Tax Credit	Taxable Income	Federal Tax Credit	Excess Tax Credit	Taxable Income	Federal Tax Credit	Excess Tax Credit	TOTAL PAYABLE STATE TAXES	Cash Value of Tax Credits (NOL)	Total Cash Payments	Total Payments after State Tax	Annual Return	20 Year Average
2014	\$ 239,158	\$ (55,729)	\$ 183,428	\$ (3,391,500)	\$ (3,208,072)	\$ (3,208,072)	\$ (1,122,825)	\$ (3,208,072)	\$ (221,357)	\$ (3,208,072)	\$ (1,122,825)	\$ (3,208,072)	\$ (221,357)	\$ 1,344,182	\$ 183,428	Total Project:	\$ 21,000,000		
2015	\$ 1,466,804	\$ (484,055)	\$ 982,747	\$ (5,426,400)	\$ (4,443,653)	\$ (4,443,653)	\$ (1,555,279)	\$ (4,443,653)	\$ (2,861,891)	\$ 1,861,891	\$ (1,555,279)	\$ 1,861,891	\$ (1,555,279)	\$ 982,747	Total Grants:	\$ (5,670,000)			
2016	\$ 1,503,471	\$ (484,055)	\$ 1,019,416	\$ (3,255,840)	\$ (2,236,424)	\$ (2,236,424)	\$ (782,748)	\$ (2,236,424)	\$ (154,313)	\$ 937,061	\$ 1,019,416	\$ 937,061	\$ (154,313)	\$ 1,019,416	NET INVESTMENT:	\$ 15,330,000			
2017	\$ 1,541,058	\$ (484,256)	\$ 1,056,802	\$ (1,953,504)	\$ (896,702)	\$ (896,702)	\$ (318,846)	\$ (896,702)	\$ (61,872)	\$ 375,718	\$ 1,056,802	\$ 375,718	\$ (61,872)	\$ 1,056,802	RETURN CALC:				
2018	\$ 1,579,585	\$ (484,662)	\$ 1,084,923	\$ (1,953,504)	\$ (858,581)	\$ (858,581)	\$ (300,504)	\$ (858,581)	\$ (59,242)	\$ 359,746	\$ 1,094,923	\$ 359,746	\$ (59,242)	\$ 1,094,923	Year 0	\$ (15,330,000)			
2019	\$ 1,619,074	\$ (505,279)	\$ 1,113,795	\$ (976,752)	\$ 137,043	\$ 137,043	\$ 47,365	\$ 137,043	\$ 9,456	\$ 1,056,374	\$ 1,113,795	\$ 1,056,374	\$ 9,456	\$ 1,113,795	Year 1	\$ 1,527,610			
2020	\$ 1,659,551	\$ (505,660)	\$ 1,108,891	\$ (573,068)	\$ 1,127,972	\$ 1,127,972	\$ 1,051,458	\$ 384,802	\$ 1,088,891	\$ 76,513	\$ 647,575	\$ 647,575	\$ 76,513	\$ 647,575	Year 2	\$ 2,844,638			
2021	\$ 1,701,040	\$ (592,510)	\$ 1,743,566	\$ 1,151,056	\$ 1,073,226	\$ 1,073,226	\$ 375,629	\$ 1,151,056	\$ 79,423	\$ 696,004	\$ 1,151,056	\$ 696,004	\$ 79,423	\$ 1,151,056	Year 3	\$ 1,956,478			
2022	\$ 1,787,155	\$ (628,990)	\$ 1,158,165	\$ 1,443,742	\$ 1,078,742	\$ 1,078,742	\$ 377,560	\$ 1,158,165	\$ 79,913	\$ 700,692	\$ 1,158,165	\$ 700,692	\$ 79,913	\$ 1,158,165	Year 4	\$ 1,432,520			
2023	\$ 1,831,834	\$ (662,516)	\$ 1,169,318	\$ 1,434,742	\$ 1,089,404	\$ 1,089,404	\$ 381,292	\$ 1,169,318	\$ 80,683	\$ 707,343	\$ 1,169,318	\$ 707,343	\$ 80,683	\$ 1,169,318	Year 5	\$ 1,454,668			
2024	\$ 1,984,997	\$ (699,709)	\$ 1,325,288	\$ 1,434,742	\$ 1,244,605	\$ 1,244,605	\$ 435,612	\$ 1,325,288	\$ 91,445	\$ 798,231	\$ 1,325,288	\$ 798,231	\$ 91,445	\$ 1,325,288	Year 6	\$ 1,056,374			
2025	\$ 2,034,622	\$ (655,084)	\$ 1,379,537	\$ 1,434,742	\$ 1,288,092	\$ 1,288,092	\$ 450,832	\$ 1,379,537	\$ 95,188	\$ 833,517	\$ 1,379,537	\$ 833,517	\$ 95,188	\$ 1,379,537	Year 7	\$ 647,575			
2026	\$ 2,085,487	\$ (650,745)	\$ 1,434,742	\$ 1,434,742	\$ 1,339,554	\$ 1,339,554	\$ 468,844	\$ 1,434,742	\$ 98,997	\$ 866,901	\$ 1,434,742	\$ 866,901	\$ 98,997	\$ 1,434,742	Year 8	\$ 682,131			
2027	\$ 2,137,624	\$ (646,698)	\$ 1,490,926	\$ 1,490,926	\$ 1,391,929	\$ 1,391,929	\$ 487,175	\$ 1,490,926	\$ 102,874	\$ 900,877	\$ 1,490,926	\$ 900,877	\$ 102,874	\$ 1,490,926	Year 9	\$ 696,004			
2028	\$ 2,191,065	\$ (642,951)	\$ 1,548,114	\$ 1,445,240	\$ 1,445,240	\$ 1,445,240	\$ 505,834	\$ 1,548,114	\$ 106,820	\$ 935,460	\$ 1,548,114	\$ 935,460	\$ 106,820	\$ 1,548,114	Year 10	\$ 700,692			
2029	\$ 2,245,842	\$ (639,511)	\$ 1,606,330	\$ 1,499,511	\$ 1,499,511	\$ 1,499,511	\$ 524,829	\$ 1,606,330	\$ 110,837	\$ 970,665	\$ 1,606,330	\$ 970,665	\$ 110,837	\$ 1,606,330	Year 11	\$ 707,343			
2030	\$ 2,301,988	\$ (636,386)	\$ 1,665,602	\$ 1,709,922	\$ 1,665,602	\$ 1,665,602	\$ 544,168	\$ 1,665,602	\$ 114,927	\$ 1,006,507	\$ 1,665,602	\$ 1,006,507	\$ 114,927	\$ 1,665,602	Year 12	\$ 798,231			
2031	\$ 2,359,537	\$ (649,616)	\$ 1,709,922	\$ 1,709,922	\$ 1,594,995	\$ 1,594,995	\$ 570,928	\$ 1,709,922	\$ 117,985	\$ 1,033,689	\$ 1,709,922	\$ 1,033,689	\$ 117,985	\$ 1,709,922	Year 13	\$ 833,517			
2032	\$ 2,418,526	\$ (663,176)	\$ 1,755,350	\$ 1,637,365	\$ 1,637,365	\$ 1,637,365	\$ 573,028	\$ 1,755,350	\$ 121,119	\$ 1,061,153	\$ 1,755,350	\$ 1,061,153	\$ 121,119	\$ 1,755,350	Year 14	\$ 866,901			
2033	\$ 2,478,989	\$ (697,076)	\$ 1,781,913	\$ 1,660,794	\$ 1,660,794	\$ 1,660,794	\$ 581,278	\$ 1,781,913	\$ 122,952	\$ 1,077,683	\$ 1,781,913	\$ 1,077,683	\$ 122,952	\$ 1,781,913	Year 15	\$ 900,877			
2034	\$ 2,540,964	\$ (712,899)	\$ 1,828,064	\$ 1,828,064	\$ 1,828,064	\$ 1,828,064	\$ 596,789	\$ 1,828,064	\$ 126,136	\$ 1,105,139	\$ 1,828,064	\$ 1,105,139	\$ 126,136	\$ 1,828,064	Year 16	\$ 935,460			
2035	\$ 2,604,488	\$ (729,119)	\$ 1,875,369	\$ 1,875,369	\$ 1,875,369	\$ 1,875,369	\$ 612,231	\$ 1,875,369	\$ 129,400	\$ 1,133,737	\$ 1,875,369	\$ 1,133,737	\$ 129,400	\$ 1,875,369	Year 17	\$ 970,665			
2036	\$ 2,669,600	\$ (745,743)	\$ 1,923,857	\$ 1,794,456	\$ 1,794,456	\$ 1,794,456	\$ 628,660	\$ 1,923,857	\$ 132,746	\$ 1,163,051	\$ 1,923,857	\$ 1,163,051	\$ 132,746	\$ 1,923,857	Year 18	\$ 1,006,507			
2037	\$ 2,736,340	\$ (762,784)	\$ 1,973,556	\$ 1,840,810	\$ 1,840,810	\$ 1,840,810	\$ 644,284	\$ 1,973,556	\$ 136,175	\$ 1,193,097	\$ 1,973,556	\$ 1,193,097	\$ 136,175	\$ 1,973,556	Year 19	\$ 1,033,689			
2038	\$ 2,804,748	\$ (780,250)	\$ 2,024,498	\$ 1,888,323	\$ 1,888,323	\$ 1,888,323	\$ 660,913	\$ 2,024,498	\$ 139,690	\$ 1,223,886	\$ 2,024,498	\$ 1,223,886	\$ 139,690	\$ 2,024,498	Year 20	\$ 1,061,153			
2039	\$ 2,874,867	\$ (798,153)	\$ 2,076,714	\$ 1,937,024	\$ 1,937,024	\$ 1,937,024	\$ 677,558	\$ 2,076,714	\$ 143,233	\$ 1,255,492	\$ 2,076,714	\$ 1,255,492	\$ 143,233	\$ 2,076,714		\$ 1,255,492			
2040	\$ 2,946,739	\$ (816,504)	\$ 2,130,235	\$ 1,986,942	\$ 1,986,942	\$ 1,986,942	\$ 695,330	\$ 2,130,235	\$ 146,986	\$ 1,287,819	\$ 2,130,235	\$ 1,287,819	\$ 146,986	\$ 2,130,235		\$ 1,287,819			
2041	\$ 2,956,701	\$ (835,313)	\$ 2,121,387	\$ 1,974,401	\$ 1,974,401	\$ 1,974,401	\$ 711,040	\$ 2,121,387	\$ 146,736	\$ 1,283,971	\$ 2,121,387	\$ 1,283,971	\$ 146,736	\$ 2,121,387		\$ 1,283,971			
2042	\$ 2,966,911	\$ (854,693)	\$ 2,112,319	\$ 1,985,943	\$ 1,985,943	\$ 1,985,943	\$ 688,080	\$ 2,112,319	\$ 145,750	\$ 1,278,489	\$ 2,112,319	\$ 1,278,489	\$ 145,750	\$ 2,112,319		\$ 1,278,489			
2043	\$ 64,012,329	\$ (19,082,093)	\$ 44,930,236	\$ 27,972,736	\$ 25,384,971	\$ 25,384,971	\$ 8,884,140	\$ 27,972,736	\$ 1,930,119	\$ 4,878,598	\$ 29,236,780	\$ 4,878,598	\$ 29,236,780	\$ 4,878,598		\$ 29,236,780			

This takes cash and credit returns based on the total net investment minus the ITC cash grant contribution. Thus this is the unleveraged return using the offsetting of 30% of the capital costs at the beginning of the project.



RENAISSANCE
Engineering & Design

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines;

20 Year - UNLEVERAGED - After Tax Returns - ITC TAKEN AS CREDIT NOT CASH - FULL DEPRECIATION

Year	TOTAL REVENUES	TOTAL EXPENSES	With No Debt - Net INCOME - CASH	With No Debt - Depreciation Expenses	Federal Income Tax Deductible	Federal Losses With Credit	Federal Expenses Tax Paid	State Income Tax Deductible	State Losses With Credit	State Expenses Tax Paid	Total Cash Payments and State Tax Value of Tax Credit	Total Payments After Tax	Total Cash After Tax	Total Payments Before Tax	Cash Credits (NOL)	Total Payments Before Tax	Total Payments After Tax	UNleveraged Return
2014	\$ 239,158	\$ (55,729)	\$ 183,428	\$ (3,990,000)	\$ (3,806,572)	\$ (7,002,300)	\$ (3,806,572)	\$ (262,653)	\$ 183,428	\$ 7,264,953	\$ 21,000,000	\$ 21,000,000	\$ 21,000,000	\$ -	\$ 21,000,000	\$ 21,000,000	\$ 21,000,000	
2015	\$ 1,466,801	\$ (484,055)	\$ 982,747	\$ (6,384,000)	\$ (5,401,253)	\$ (5,401,253)	\$ (1,890,439)	\$ (1,890,439)	\$ 982,747	\$ 2,263,125	\$ (372,686)	\$ 2,263,125	\$ 2,263,125	\$ -	\$ 2,263,125	\$ 2,263,125	\$ -	
2016	\$ 1,503,471	\$ (484,055)	\$ 1,019,416	\$ (3,830,400)	\$ (2,810,984)	\$ (2,810,984)	\$ (983,844)	\$ (983,844)	\$ NET	\$ 1,177,802	\$ (193,958)	\$ 1,177,802	\$ 1,177,802	\$ 1,177,802	\$ 1,177,802	\$ 1,177,802	\$ 1,177,802	
2017	\$ 1,541,058	\$ (484,256)	\$ 1,056,802	\$ (2,298,240)	\$ (1,241,438)	\$ (1,241,438)	\$ (434,503)	\$ (434,503)	\$ INVESTMENT:	\$ 1,241,438	\$ (85,659)	\$ 1,241,438	\$ 1,241,438	\$ 1,241,438	\$ 1,241,438	\$ 1,241,438	\$ 1,241,438	
2018	\$ 1,579,555	\$ (484,662)	\$ 1,094,923	\$ (2,298,240)	\$ (1,203,317)	\$ (1,203,317)	\$ (421,161)	\$ (421,161)	\$ RETURN CALC:	\$ (1,203,317)	\$ (83,029)	\$ 504,190	\$ 504,190	\$ 504,190	\$ 504,190	\$ 504,190	\$ 504,190	
2019	\$ 1,619,074	\$ (505,279)	\$ 1,113,795	\$ (1,149,120)	\$ (35,325)	\$ (35,325)	\$ (12,364)	\$ (12,364)	\$ Year 0	\$ (35,325)	\$ (2,437)	\$ 14,801	\$ 14,801	\$ 14,801	\$ 14,801	\$ 14,801	\$ 14,801	
2020	\$ 1,659,551	\$ (550,660)	\$ 1,108,891	\$ 1,108,891	\$ 1,108,891	\$ 1,108,891	\$ 388,112	\$ 388,112	\$ Year 1	\$ 76,513	\$ 644,266	\$ -	\$ -	\$ 7,448,382	\$ 7,448,382	\$ 7,448,382		
2021	\$ 1,701,040	\$ (573,068)	\$ 1,127,972	\$ 1,127,972	\$ 1,051,458	\$ 1,051,458	\$ 368,010	\$ 368,010	\$ Year 2	\$ 77,830	\$ 662,131	\$ -	\$ -	\$ 3,245,872	\$ 3,245,872	\$ 3,245,872		
2022	\$ 1,743,566	\$ (592,510)	\$ 1,151,056	\$ 1,151,056	\$ 1,073,226	\$ 1,073,226	\$ 375,629	\$ 375,629	\$ Year 3	\$ 79,423	\$ 696,004	\$ -	\$ -	\$ 2,197,219	\$ 2,197,219	\$ 2,197,219		
2023	\$ 1,787,155	\$ (628,990)	\$ 1,158,165	\$ 1,158,165	\$ 1,078,742	\$ 1,078,742	\$ 377,550	\$ 377,550	\$ Year 4	\$ 1,158,165	\$ 97,913	\$ -	\$ -	\$ 1,576,985	\$ 1,576,985	\$ 1,576,985		
2024	\$ 1,831,834	\$ (652,516)	\$ 1,169,318	\$ 1,169,318	\$ 1,089,404	\$ 1,089,404	\$ 381,292	\$ 381,292	\$ Year 5	\$ 1,169,318	\$ 80,683	\$ -	\$ -	\$ 1,599,113	\$ 1,599,113	\$ 1,599,113		
2025	\$ 1,984,997	\$ (659,709)	\$ 1,325,288	\$ 1,325,288	\$ 1,244,605	\$ 1,244,605	\$ 435,612	\$ 435,612	\$ Year 6	\$ 1,325,288	\$ 91,445	\$ -	\$ -	\$ 1,128,586	\$ 1,128,586	\$ 1,128,586		
2026	\$ 2,034,622	\$ (655,084)	\$ 1,379,537	\$ 1,379,537	\$ 1,288,092	\$ 1,288,092	\$ 450,832	\$ 450,832	\$ Year 7	\$ 1,379,537	\$ 95,188	\$ -	\$ -	\$ 833,517	\$ 833,517	\$ 833,517		
2027	\$ 2,085,487	\$ (650,745)	\$ 1,434,742	\$ 1,434,742	\$ 1,339,554	\$ 1,339,554	\$ 468,844	\$ 468,844	\$ Year 8	\$ 1,434,742	\$ 98,997	\$ -	\$ -	\$ 866,901	\$ 866,901	\$ 866,901		
2028	\$ 2,137,624	\$ (666,698)	\$ 1,490,926	\$ 1,490,926	\$ 1,391,929	\$ 1,391,929	\$ 487,176	\$ 487,176	\$ Year 9	\$ 1,490,926	\$ 102,874	\$ -	\$ -	\$ 700,692	\$ 700,692	\$ 700,692		
2029	\$ 2,191,055	\$ (642,951)	\$ 1,548,114	\$ 1,548,114	\$ 1,445,240	\$ 1,445,240	\$ 505,834	\$ 505,834	\$ Year 10	\$ 1,548,114	\$ 106,820	\$ -	\$ -	\$ 935,460	\$ 935,460	\$ 935,460		
2030	\$ 2,245,822	\$ (659,511)	\$ 1,606,330	\$ 1,606,330	\$ 1,499,511	\$ 1,499,511	\$ 524,829	\$ 524,829	\$ Year 11	\$ 1,606,330	\$ 110,837	\$ -	\$ -	\$ 970,665	\$ 970,665	\$ 970,665		
2031	\$ 2,301,988	\$ (636,886)	\$ 1,665,602	\$ 1,665,602	\$ 1,554,765	\$ 1,554,765	\$ 544,188	\$ 544,188	\$ Year 12	\$ 1,665,602	\$ 114,927	\$ -	\$ -	\$ 1,006,507	\$ 1,006,507	\$ 1,006,507		
2032	\$ 2,359,537	\$ (649,616)	\$ 1,709,922	\$ 1,709,922	\$ 1,594,995	\$ 1,594,995	\$ 558,922	\$ 558,922	\$ Year 13	\$ 1,709,922	\$ 117,985	\$ -	\$ -	\$ 1,033,689	\$ 1,033,689	\$ 1,033,689		
2033	\$ 2,418,556	\$ (663,176)	\$ 1,755,350	\$ 1,755,350	\$ 1,637,385	\$ 1,637,385	\$ 573,078	\$ 573,078	\$ Year 14	\$ 1,755,350	\$ 121,119	\$ -	\$ -	\$ 1,061,153	\$ 1,061,153	\$ 1,061,153		
2034	\$ 2,478,939	\$ (687,076)	\$ 1,791,913	\$ 1,791,913	\$ 1,660,794	\$ 1,660,794	\$ 581,278	\$ 581,278	\$ Year 15	\$ 1,791,913	\$ 122,952	\$ -	\$ -	\$ 1,077,683	\$ 1,077,683	\$ 1,077,683		
2035	\$ 2,540,984	\$ (712,899)	\$ 1,828,064	\$ 1,828,064	\$ 1,705,112	\$ 1,705,112	\$ 596,789	\$ 596,789	\$ Year 16	\$ 1,828,064	\$ 126,136	\$ -	\$ -	\$ 1,105,139	\$ 1,105,139	\$ 1,105,139		
2036	\$ 2,604,488	\$ (729,119)	\$ 1,875,369	\$ 1,875,369	\$ 1,749,233	\$ 1,749,233	\$ 612,231	\$ 612,231	\$ Year 17	\$ 1,875,369	\$ 129,400	\$ -	\$ -	\$ 1,133,737	\$ 1,133,737	\$ 1,133,737		
2037	\$ 2,669,600	\$ (745,743)	\$ 1,923,857	\$ 1,923,857	\$ 1,794,456	\$ 1,794,456	\$ 628,050	\$ 628,050	\$ Year 18	\$ 1,923,857	\$ 132,746	\$ -	\$ -	\$ 1,163,051	\$ 1,163,051	\$ 1,163,051		
2038	\$ 2,736,340	\$ (762,784)	\$ 1,973,556	\$ 1,973,556	\$ 1,840,810	\$ 1,840,810	\$ 644,224	\$ 644,224	\$ Year 19	\$ 1,973,556	\$ 136,175	\$ -	\$ -	\$ 1,193,097	\$ 1,193,097	\$ 1,193,097		
2039	\$ 2,804,748	\$ (780,250)	\$ 2,024,498	\$ 2,024,498	\$ 1,888,323	\$ 1,888,323	\$ 660,913	\$ 660,913	\$ Year 20	\$ 2,024,498	\$ 139,690	\$ -	\$ -	\$ 1,223,895	\$ 1,223,895	\$ 1,223,895		
2040	\$ 2,874,867	\$ (796,714)	\$ 2,076,714	\$ 2,076,714	\$ 1,937,024	\$ 1,937,024	\$ 677,988	\$ 677,988	\$	\$ 2,076,714	\$ 143,293	\$ -	\$ -	\$ 1,255,462	\$ 1,255,462	\$ 1,255,462		
2041	\$ 2,946,739	\$ (816,504)	\$ 2,130,235	\$ 2,130,235	\$ 1,986,942	\$ 1,986,942	\$ 695,430	\$ 695,430	\$	\$ 2,130,235	\$ 146,986	\$ -	\$ -	\$ 1,287,819	\$ 1,287,819	\$ 1,287,819		
2042	\$ 2,956,701	\$ (835,313)	\$ 2,121,387	\$ 2,121,387	\$ 1,974,401	\$ 1,974,401	\$ 691,040	\$ 691,040	\$	\$ 2,121,387	\$ 146,376	\$ -	\$ -	\$ 1,283,971	\$ 1,283,971	\$ 1,283,971		
2043	\$ 2,966,911	\$ (854,593)	\$ 2,112,319	\$ 2,112,319	\$ 1,965,943	\$ 1,965,943	\$ 688,080	\$ 688,080	\$	\$ 2,112,319	\$ 145,750	\$ -	\$ -	\$ 1,278,489	\$ 1,278,489	\$ 1,278,489		
Total	\$ 64,012,329	\$ (19,950,000)	\$ 24,980,236	\$ 24,980,236	\$ 22,401,927	\$ 22,401,927	\$ 2,170,674	\$ 2,170,674	\$	\$ 24,980,236	\$ 1,723,636	\$ 1,723,636	\$ 1,723,636	\$ 11,745,034	\$ 11,745,034	\$ 11,745,034	\$ 29,280,892	

This assumes a 30% ITC taken as a credit so there is no discount on the allowable amount of depreciation. This is the most valuable scenario but still requires an investor that can fully utilize such substantial State and Federal Credits each year they are generated as if they are cash.



RENAISSANCE
Engineering & Design

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines;

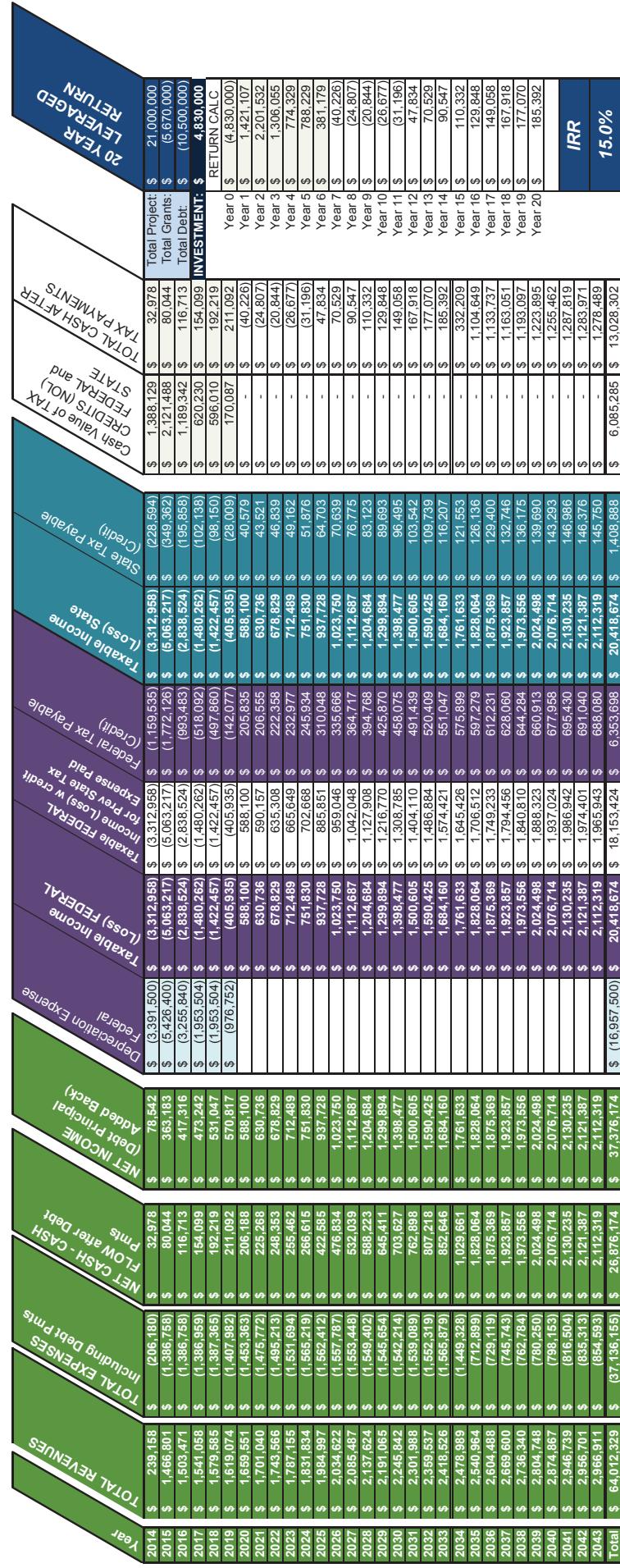
20 Year - UNLEVERAGED - After Tax Returns - ITC TAKEN AS CREDIT NOT CASH - FULL DEPRECIATION

Year	TOTAL REVENUES	TOTAL EXPENSES	Net INCOME - CASH With NO Debt	Debt/Equity EXPENSE	Taxable Income (Loss) w/ Credit	Federal EXPENSE Paid for Previous State Tax (Loss)	Federal TAX PAYABLE for Previous State Tax (Loss)	State Tax PAYABLE (Loss) / State Taxable Income	PtC Production Tax Credits	Cash Value of TAX Credits (NDL)	TAX PAYMENTS TOTAL CASH AFTER TAXES	20 YEAR RETURN UNLEVERAGED
2014	\$ 239,156	\$ (55,729)	\$ 183,428	\$ (3,990,000)	\$ (3,806,572)	\$ (1,332,300)	\$ (3,806,572)	\$ (262,653)	\$ (75,216)	\$ 1,670,169	\$ 183,428	\$ 21,000,000
2015	\$ 1,466,801	\$ (484,065)	\$ 982,747	\$ (6,384,000)	\$ (5,401,253)	\$ (5,401,253)	\$ (1,890,439)	\$ (5,401,253)	\$ (461,312)	\$ 2,724,437	\$ (461,312)	\$ 982,747
2016	\$ 1,503,471	\$ (484,295)	\$ 1,019,416	\$ (3,830,400)	\$ (2,810,984)	\$ (2,810,984)	\$ (983,844)	\$ (2,810,984)	\$ (472,845)	\$ 1,650,647	\$ (472,845)	\$ 1,019,416
2017	\$ 1,541,058	\$ (484,295)	\$ 1,056,802	\$ (2,298,240)	\$ (1,241,438)	\$ (1,241,438)	\$ (434,503)	\$ (1,241,438)	\$ (484,666)	\$ 1,004,828	\$ (484,666)	\$ 21,000,000
2018	\$ 1,579,583	\$ (484,662)	\$ 1,094,923	\$ (2,298,240)	\$ (1,203,317)	\$ (1,203,317)	\$ (421,161)	\$ (1,203,317)	\$ (486,782)	\$ 1,000,972	\$ (486,782)	RETURN CALC
2019	\$ 1,619,074	\$ (505,279)	\$ 1,113,795	\$ (1,149,120)	\$ (35,325)	\$ (35,325)	\$ (112,364)	\$ (35,325)	\$ (509,202)	\$ 524,003	\$ (509,202)	\$ 1,113,795
2020	\$ 1,659,551	\$ (550,660)	\$ 1,108,891	\$ 1,08,891	\$ 1,08,891	\$ 1,08,891	\$ 76,513	\$ 1,08,891	\$ (521,932)	\$ 644,266	\$ (521,932)	\$ 644,266
2021	\$ 1,701,040	\$ (573,068)	\$ 1,127,972	\$ 1,127,972	\$ 1,051,458	\$ 1,051,458	\$ 368,010	\$ 1,127,972	\$ 77,830	\$ (534,980)	\$ 534,980	\$ 682,131
2022	\$ 1,743,566	\$ (592,510)	\$ 1,151,056	\$ 1,151,056	\$ 1,073,226	\$ 1,073,226	\$ 375,629	\$ 1,151,056	\$ 79,423	\$ (548,355)	\$ 548,355	\$ 696,004
2023	\$ 1,787,155	\$ (628,995)	\$ 1,168,165	\$ 1,168,165	\$ 1,078,742	\$ 1,078,742	\$ 377,560	\$ 1,168,165	\$ 79,913	\$ (562,064)	\$ 562,064	\$ 700,692
2024	\$ 1,831,834	\$ (662,516)	\$ 1,169,318	\$ 1,169,318	\$ 1,089,404	\$ 1,089,404	\$ 381,292	\$ 1,169,318	\$ 80,683	\$ (528,106)	\$ 528,106	\$ 707,343
2025	\$ 1,884,997	\$ (659,709)	\$ 1,325,288	\$ 1,325,288	\$ 1,244,605	\$ 1,244,605	\$ 435,612	\$ 1,325,288	\$ 91,445	\$ -	\$ -	\$ 798,231
2026	\$ 2,034,622	\$ (655,084)	\$ 1,379,537	\$ 1,379,537	\$ 1,286,092	\$ 1,286,092	\$ 460,832	\$ 1,379,537	\$ 95,188	\$ -	\$ 833,517	\$ 1,166,198
2027	\$ 2,085,487	\$ (650,745)	\$ 1,434,742	\$ 1,434,742	\$ 1,339,554	\$ 1,339,554	\$ 468,844	\$ 1,434,742	\$ 98,997	\$ -	\$ 866,901	\$ 1,217,111
2028	\$ 2,137,624	\$ (646,698)	\$ 1,490,926	\$ 1,490,926	\$ 1,391,929	\$ 1,391,929	\$ 487,175	\$ 1,490,926	\$ 102,874	\$ -	\$ 900,877	\$ 1,244,359
2029	\$ 2,191,065	\$ (642,951)	\$ 1,548,114	\$ 1,548,114	\$ 1,445,240	\$ 1,445,240	\$ 505,834	\$ 1,548,114	\$ 106,820	\$ -	\$ -	\$ 935,460
2030	\$ 2,245,842	\$ (639,561)	\$ 1,606,330	\$ 1,606,330	\$ 1,498,511	\$ 1,498,511	\$ 524,829	\$ 1,606,330	\$ 110,837	\$ -	\$ 970,665	\$ 1,235,449
2031	\$ 2,301,988	\$ (636,386)	\$ 1,665,602	\$ 1,665,602	\$ 1,554,765	\$ 1,554,765	\$ 544,168	\$ 1,665,602	\$ 114,927	\$ -	\$ 1,006,507	\$ 798,231
2032	\$ 2,359,537	\$ (649,616)	\$ 1,709,922	\$ 1,709,922	\$ 1,594,995	\$ 1,594,995	\$ 568,248	\$ 1,709,922	\$ 117,985	\$ -	\$ 1,033,689	\$ 833,517
2033	\$ 2,418,526	\$ (663,176)	\$ 1,755,350	\$ 1,755,350	\$ 1,637,365	\$ 1,637,365	\$ 573,078	\$ 1,755,350	\$ 121,119	\$ -	\$ 1,061,153	\$ 866,901
2034	\$ 2,478,989	\$ (697,076)	\$ 1,781,913	\$ 1,781,913	\$ 1,660,794	\$ 1,660,794	\$ 581,278	\$ 1,781,913	\$ 122,952	\$ -	\$ 1,077,683	\$ 900,877
2035	\$ 2,540,964	\$ (712,899)	\$ 1,828,064	\$ 1,828,064	\$ 1,705,112	\$ 1,705,112	\$ 596,789	\$ 1,828,064	\$ 126,136	\$ -	\$ 1,105,139	\$ 935,460
2036	\$ 2,604,488	\$ (729,119)	\$ 1,875,369	\$ 1,875,369	\$ 1,749,233	\$ 1,749,233	\$ 612,231	\$ 1,875,369	\$ 129,400	\$ -	\$ 1,133,737	\$ 970,665
2037	\$ 2,669,600	\$ (745,743)	\$ 1,923,857	\$ 1,923,857	\$ 1,794,456	\$ 1,794,456	\$ 628,060	\$ 1,923,857	\$ 132,746	\$ -	\$ 1,163,051	\$ 1,006,507
2038	\$ 2,736,340	\$ (762,784)	\$ 1,973,556	\$ 1,973,556	\$ 1,840,810	\$ 1,840,810	\$ 644,284	\$ 1,973,556	\$ 136,175	\$ -	\$ 1,193,097	\$ 1,033,689
2039	\$ 2,804,748	\$ (780,250)	\$ 2,024,498	\$ 2,024,498	\$ 1,885,223	\$ 1,885,223	\$ 660,913	\$ 2,024,498	\$ 139,690	\$ -	\$ 1,223,895	\$ 1,061,153
2040	\$ 2,874,867	\$ (798,153)	\$ 2,076,714	\$ 2,076,714	\$ 1,937,024	\$ 1,937,024	\$ 677,958	\$ 2,076,714	\$ 143,293	\$ -	\$ 1,255,462	\$ 1,105,139
2041	\$ 2,946,739	\$ (816,504)	\$ 2,130,235	\$ 2,130,235	\$ 1,986,942	\$ 1,986,942	\$ 695,430	\$ 2,130,235	\$ 146,986	\$ -	\$ 1,287,819	\$ 1,133,737
2042	\$ 2,947,387	\$ (835,313)	\$ 2,121,387	\$ 2,121,387	\$ 1,974,401	\$ 1,974,401	\$ 691,040	\$ 2,121,387	\$ 148,376	\$ -	\$ 1,283,971	\$ 1,163,051
2043	\$ 2,966,911	\$ (854,593)	\$ 2,112,319	\$ 2,112,319	\$ 1,965,943	\$ 1,965,943	\$ 688,090	\$ 2,112,319	\$ 145,750	\$ -	\$ 1,278,489	\$ 1,193,097
Total	\$ 64,012,329	\$ (19,082,093)	\$ 44,930,236	\$ 44,930,236	\$ 22,401,927	\$ 22,401,927	\$ 7,840,674	\$ 24,980,236	\$ 1,723,636	\$ (5,195,456)	\$ 11,270,492	\$ 29,290,892

This is the total UNLEVERAGED RETURN calculation taking the total project cost with no offsetting grants or PTC and fully utilizing depreciation and Production Tax Credits over a period of ten years as they are generated.

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines;

20 Year - LEVERAGED - After Tax Returns



With leverage two key things happen to drive the IRR. The first one is the very small amount of capital invested, and the second is an increase in Federal and State tax credits for the deduction based on interest on the debt payments. The problem of course is the debt payments end up consuming a huge amount of the total cash flow which amplifies the point that the wind project makes more money in credits than it does in cash. The investors know this and in fact the cash can become so tight that there may not be enough to pay the tax depending on how the expense line up and how steep the debt amount and interest amounts are negotiated.

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines;

20 Year - LEVERAGED - After Tax Returns - FULL DEPRECIATION ITC TAKEN AS TAX CREDIT

Year	TOTAL REVENUES	TOTAL EXPENSES	NET CASH - CASH Pmts	NET INCOME	Depreciation Expense	Federal Income Tax Deduction	Taxable Income w/ Credit	Taxable Loss w/ Credit	Federal State Tax Deduction	Taxable Income State Tax Deduction	State Tax Payable	Cash Value of Tax Credit	TOTAL CASH AFTER TAXES	FEDERAL AND STATE TAXES	TAX AND DEBT PAYMENTS	EVERAGED RETURN				
2014	\$ 239,158	\$ (206,180)	\$ 32,978	\$ 78,1542	\$ (3,990,000)	\$ (3,911,456)	\$ (7,030,010)	\$ (3,911,456)	\$ (269,891)	\$ (7,308,901)	\$ 32,978	\$ 21,000,000	\$ 21,000,000	\$ 21,000,000	\$ 21,000,000					
2015	\$ 1,486,801	\$ (1,386,758)	\$ 80,044	\$ 383,183	\$ (6,334,000)	\$ (6,020,817)	\$ (2,107,286)	\$ (6,020,817)	\$ (255,436)	\$ (415,436)	\$ 80,044	\$ -	\$ -	\$ -	\$ -	\$ -				
2016	\$ 1,503,471	\$ (1,386,758)	\$ 116,713	\$ 417,316	\$ (3,830,400)	\$ (3,413,084)	\$ (1,194,579)	\$ (3,413,084)	\$ (235,503)	\$ (430,082)	\$ 116,713	Total Debt:	\$ (10,500,000)	Total Debt:	\$ (10,500,000)	Total Debt:	\$ (10,500,000)			
2017	\$ 1,561,058	\$ (1,386,969)	\$ 154,099	\$ 473,242	\$ (2,296,240)	\$ (1,824,986)	\$ (1,324,996)	\$ (638,749)	\$ (1,824,986)	\$ (125,925)	\$ 164,674	\$ (154,099)	\$ 164,674	\$ (154,099)	\$ 164,674	\$ (154,099)	\$ (154,099)			
2018	\$ 1,579,585	\$ (1,387,365)	\$ 192,219	\$ 531,047	\$ (2,288,240)	\$ (1,767,193)	\$ (1,767,193)	\$ (618,518)	\$ (1,767,193)	\$ (121,936)	\$ 74,454	\$ 192,219	Year 0	\$ (10,500,000)	Year 0	\$ (10,500,000)	Year 0	\$ (10,500,000)		
2019	\$ 1,619,074	\$ (1,407,982)	\$ 211,092	\$ 570,817	\$ (1,149,120)	\$ (578,303)	\$ (578,303)	\$ (202,406)	\$ (578,303)	\$ (39,903)	\$ 242,309	\$ 211,092	Year 1	\$ 7,341,879	Year 1	\$ 7,341,879	Year 1	\$ 7,341,879		
2020	\$ 1,669,551	\$ (1,453,363)	\$ 206,188	\$ 588,100	\$ (588,100)	\$ 588,100	\$ 588,100	\$ 588,100	\$ 588,100	\$ 40,579	\$ -	\$ -	(40,226)	Year 2	\$ 2,602,766	Year 2	\$ 2,602,766	Year 2	\$ 2,602,766	
2021	\$ 1,701,040	\$ (1,475,772)	\$ 225,268	\$ 630,736	\$ 590,157	\$ 630,736	\$ 630,736	\$ 208,355	\$ 630,736	\$ 43,521	\$ -	\$ -	(20,844)	Year 3	\$ 1,546,786	Year 3	\$ 1,546,786	Year 3	\$ 1,546,786	
2022	\$ 1,743,566	\$ (1,495,213)	\$ 248,353	\$ 678,829	\$ 635,308	\$ 635,308	\$ 222,358	\$ 678,829	\$ 678,829	\$ 46,839	\$ -	\$ -	(20,844)	Year 4	\$ 918,773	Year 4	\$ 918,773	Year 4	\$ 918,773	
2023	\$ 1,787,155	\$ (1,531,694)	\$ 255,462	\$ 712,489	\$ 665,649	\$ 665,649	\$ 232,977	\$ 712,489	\$ 712,489	\$ 49,162	\$ -	\$ -	(26,677)	Year 5	\$ 932,673	Year 5	\$ 932,673	Year 5	\$ 932,673	
2024	\$ 1,830,834	\$ (1,565,219)	\$ 266,616	\$ 751,850	\$ 702,866	\$ 702,866	\$ 245,934	\$ 751,850	\$ 751,850	\$ 51,186	\$ -	\$ -	(51,186)	Year 6	\$ 43,401	Year 6	\$ 43,401	Year 6	\$ 43,401	
2025	\$ 1,884,997	\$ (1,562,412)	\$ 422,585	\$ 937,728	\$ 885,851	\$ 885,851	\$ 310,048	\$ 937,728	\$ 937,728	\$ 64,703	\$ -	\$ -	(47,834)	Year 7	\$ 70,529	Year 7	\$ 70,529	Year 7	\$ 70,529	
2026	\$ 2,034,622	\$ (1,587,787)	\$ 476,834	\$ 1,023,750	\$ 959,046	\$ 959,046	\$ 335,666	\$ 1,023,750	\$ 1,023,750	\$ 70,639	\$ -	\$ -	(40,226)	Year 8	\$ 90,547	Year 8	\$ 90,547	Year 8	\$ 90,547	
2027	\$ 2,085,487	\$ (1,553,448)	\$ 532,039	\$ 1,112,687	\$ 1,112,687	\$ 1,112,687	\$ 1,042,048	\$ 1,112,687	\$ 1,112,687	\$ 76,775	\$ -	\$ -	(20,844)	Year 9	\$ 110,322	Year 9	\$ 110,322	Year 9	\$ 110,322	
2028	\$ 2,137,624	\$ (1,549,402)	\$ 588,223	\$ 1,204,684	\$ 1,204,684	\$ 1,204,684	\$ 1,127,908	\$ 1,204,684	\$ 1,204,684	\$ 83,123	\$ -	\$ -	(20,844)	Year 10	\$ 128,848	Year 10	\$ 128,848	Year 10	\$ 128,848	
2029	\$ 2,191,055	\$ (1,545,654)	\$ 645,411	\$ 1,289,894	\$ 1,289,894	\$ 1,289,894	\$ 1,207,770	\$ 1,289,894	\$ 1,289,894	\$ 89,693	\$ -	\$ -	(26,677)	Year 11	\$ 149,058	Year 11	\$ 149,058	Year 11	\$ 149,058	
2030	\$ 2,245,842	\$ (1,542,214)	\$ 703,827	\$ 1,338,477	\$ 1,338,477	\$ 1,338,477	\$ 1,308,785	\$ 1,338,477	\$ 1,338,477	\$ 96,945	\$ -	\$ -	(31,196)	Year 12	\$ 47,834	Year 12	\$ 47,834	Year 12	\$ 47,834	
2031	\$ 2,301,988	\$ (1,539,059)	\$ 762,898	\$ 1,500,605	\$ 1,404,110	\$ 1,404,110	\$ 49,439	\$ 1,500,605	\$ 1,500,605	\$ 103,542	\$ -	\$ -	(47,834)	Year 13	\$ 70,529	Year 13	\$ 70,529	Year 13	\$ 70,529	
2032	\$ 2,359,537	\$ 807,218	\$ 1,488,425	\$ 1,580,425	\$ 1,580,425	\$ 1,580,425	\$ 150,409	\$ 1,580,425	\$ 1,580,425	\$ 109,739	\$ -	\$ -	(40,226)	Year 14	\$ 90,547	Year 14	\$ 90,547	Year 14	\$ 90,547	
2033	\$ 2,418,526	\$ (1,565,879)	\$ 852,646	\$ 1,684,180	\$ 1,684,180	\$ 1,684,180	\$ 1,684,160	\$ 1,684,180	\$ 1,684,180	\$ 116,207	\$ -	\$ -	(20,844)	Year 15	\$ 132,209	Year 15	\$ 132,209	Year 15	\$ 132,209	
2034	\$ 2,478,989	\$ (1,449,388)	\$ 1,029,661	\$ 1,761,633	\$ 1,761,633	\$ 1,761,633	\$ 1,645,426	\$ 1,761,633	\$ 1,761,633	\$ 121,553	\$ -	\$ -	(20,844)	Year 16	\$ 126,136	Year 16	\$ 126,136	Year 16	\$ 126,136	
2035	\$ 2,604,438	\$ (729,119)	\$ 1,828,064	\$ 771,899	\$ 1,875,369	\$ 1,875,369	\$ 1,708,064	\$ 1,708,064	\$ 1,708,064	\$ 129,400	\$ -	\$ -	(133,737)	Year 17	\$ 149,058	Year 17	\$ 149,058	Year 17	\$ 149,058	
2036	\$ 2,669,600	\$ (745,743)	\$ 1,923,857	\$ 1,923,857	\$ 1,923,857	\$ 1,923,857	\$ 1,794,456	\$ 1,923,857	\$ 1,923,857	\$ 132,746	\$ -	\$ -	(167,918)	Year 18	\$ 113,051	Year 18	\$ 113,051	Year 18	\$ 113,051	
2037	\$ 2,736,340	\$ (762,764)	\$ 1,973,556	\$ 2,024,488	\$ 2,024,488	\$ 2,024,488	\$ 1,840,810	\$ 1,973,556	\$ 1,973,556	\$ 136,175	\$ -	\$ -	(177,070)	Year 19	\$ 123,887	Year 19	\$ 123,887	Year 19	\$ 123,887	
2038	\$ 2,804,748	\$ (780,250)	\$ 2,024,488	\$ 2,076,714	\$ 2,076,714	\$ 2,076,714	\$ 1,937,024	\$ 2,076,714	\$ 2,076,714	\$ 139,680	\$ -	\$ -	(185,392)	Year 20	\$ 125,462	Year 20	\$ 125,462	Year 20	\$ 125,462	
2039	\$ 2,874,867	\$ (798,153)	\$ 2,130,235	\$ 2,130,235	\$ 2,130,235	\$ 2,130,235	\$ 1,986,942	\$ 2,130,235	\$ 2,130,235	\$ 146,986	\$ -	\$ -	(127,819)	Year 21	\$ 146,986	Year 21	\$ 146,986	Year 21	\$ 146,986	
2040	\$ 2,946,759	\$ (816,504)	\$ 2,121,387	\$ 2,121,387	\$ 2,121,387	\$ 2,121,387	\$ 1,974,401	\$ 2,121,387	\$ 2,121,387	\$ 146,376	\$ -	\$ -	(128,397)	Year 22	\$ 146,376	Year 22	\$ 146,376	Year 22	\$ 146,376	
2041	\$ 2,986,701	\$ (835,313)	\$ 2,112,319	\$ 2,112,319	\$ 2,112,319	\$ 2,112,319	\$ 1,965,943	\$ 2,112,319	\$ 2,112,319	\$ 145,750	\$ -	\$ -	(128,489)	Year 23	\$ 145,750	Year 23	\$ 145,750	Year 23	\$ 145,750	
2042	\$ 3,026,341	\$ (854,533)	\$ 2,102,359	\$ 2,102,359	\$ 2,102,359	\$ 2,102,359	\$ 1,959,024	\$ 2,102,359	\$ 2,102,359	\$ 146,040	\$ -	\$ -	(128,489)	Year 24	\$ 146,040	Year 24	\$ 146,040	Year 24	\$ 146,040	
2043	\$ 3,066,911	\$ (874,155)	\$ 2,082,394	\$ 2,082,394	\$ 2,082,394	\$ 2,082,394	\$ 1,956,924	\$ 2,082,394	\$ 2,082,394	\$ 146,376	\$ -	\$ -	(128,489)	Year 25	\$ 146,376	Year 25	\$ 146,376	Year 25	\$ 146,376	
Total	\$ 64,012,359	\$ (37,136,155)	\$ 26,876,174	\$ 37,376,174	\$ (19,980,000)	\$ 17,426,174	\$ 17,426,174	\$ (365,677)	\$ 17,426,174	\$ 17,426,174	\$ 1,202,406	\$ -	\$ -	\$ 13,008,302	Total Project:	\$ 32,978	Total Project:	\$ 32,978	Total Project:	\$ 32,978

With leverage two key things happen to drive the IRR. The first one is the very small amount of capital invested relative to the total of all the credits (and the small amount of cash), and the second is an increase in Federal and State tax credits for the debt based on interest on the debt payments. The problem of course is the debt payments end up consuming a huge amount of the total cash flow which amplifies the point that the wind project makes more money in credits than it does in cash. This makes financing problematic on the merits of the project cash flow since debt coverage ratios get tight. The investors know this and in fact the cash is can become so tight that there may not be enough to pay the taxes depending on how the expenses line up and how steep the debt amount and interest amounts are negotiated so the investor plans to make up the cash shortfalls in exchange for the tax credits which drive the investment decision in the first place.

7 MW Malmstrom Wind Project; (4) 1.80-MW Wind Turbines;

20 Year - LEVERAGED - After Tax Returns - FULL DEPRECIATION ITC TAKEN AS TAX CREDIT

Year	TOTAL REVENUES	NET DEBT PRIOR TO CASH - CASH TOTAL EXPENSES	NET INCOME AFTER DEBT DEDUCTION EXPENSE	FLOWS AFTER DEBT DEDUCTION EXPENSE	FEDERAL INCOME TAX (LOSS)	FEDERAL EXPENSE TAX (LOSS)	FEDERAL PAYABLE TAXES DUE THIS YEAR	STATE TAX PAYABLE (LOSS)	CREDIT FIRST PAYABLE TAXES DUE THIS YEAR	CREDIT VALUE OF TAX DEBITS (NOTI)	TOTAL CASH AFTER TAX AND DEBT	STRIKE CASH VALUE OF TAX DEBITS (NOTI)	20 YEAR RETURN
2014	\$ 239,158	\$ (206,180)	\$ 32,978	\$ 78,542	\$ (3,911,458)	\$ (3,911,458)	\$ (1,369,010)	\$ (269,891)	\$ (75,216)	\$ (75,216)	\$ 1,714,116	\$ 21,000,000	
2015	\$ 1,468,301	\$ (1,386,158)	\$ 80,044	\$ 163,183	\$ (6,384,000)	\$ (6,384,000)	\$ (6,020,817)	\$ (2,107,286)	\$ (461,312)	\$ (461,312)	\$ 2,984,034	\$ 80,044	-
2016	\$ 1,503,471	\$ (1,386,158)	\$ 116,713	\$ 417,316	\$ (3,830,400)	\$ (3,413,084)	\$ (1,194,579)	\$ (3,413,084)	\$ (472,845)	\$ (472,845)	\$ 1,902,927	\$ 116,713	
2017	\$ 1,544,058	\$ (1,386,059)	\$ 154,059	\$ 473,242	\$ (2,298,240)	\$ (1,824,998)	\$ (638,749)	\$ (1,824,998)	\$ (484,666)	\$ (484,666)	\$ 1,249,340	\$ 154,059	
2018	\$ 1,579,385	\$ (1,387,368)	\$ 192,219	\$ 531,047	\$ (1,387,368)	\$ (1,767,193)	\$ (202,406)	\$ (1,767,193)	\$ (121,936)	\$ (121,936)	\$ 1,237,236	\$ 192,219	
2019	\$ 1,619,074	\$ (1,407,982)	\$ 211,092	\$ 570,817	\$ (1,149,120)	\$ (578,308)	\$ (578,303)	\$ (578,303)	\$ (509,202)	\$ (509,202)	\$ 751,511	211,092	
2020	\$ 1,659,351	\$ (1,455,365)	\$ 206,188	\$ 588,100	\$ 630,736	\$ 588,100	\$ 205,835	\$ 588,100	\$ (40,579)	\$ (521,932)	\$ 521,932	\$ 174,094	
2021	\$ 1,701,040	\$ (1,475,772)	\$ 225,268	\$ 678,829	\$ 678,829	\$ 630,157	\$ 630,736	\$ 43,521	\$ (534,980)	\$ (534,980)	\$ (24,807)	Year 2 \$	
2022	\$ 1,743,566	\$ (1,495,213)	\$ 248,353	\$ 712,489	\$ 712,489	\$ 665,649	\$ 665,649	\$ 46,839	\$ (548,355)	\$ (548,355)	\$ (20,844)	Year 3 \$	2,019,640
2023	\$ 1,781,155	\$ (1,531,694)	\$ 265,462	\$ 751,830	\$ 751,830	\$ 705,688	\$ 705,688	\$ 49,162	\$ (562,064)	\$ (562,064)	\$ (26,877)	Year 4 \$	1,403,339
2024	\$ 1,821,334	\$ (1,565,219)	\$ 266,155	\$ 806,535	\$ 806,535	\$ 751,830	\$ 751,830	\$ 52,080	\$ (562,106)	\$ (562,106)	\$ (31,196)	Year 5 \$	1,429,456
2025	\$ 1,854,997	\$ (1,562,412)	\$ 422,585	\$ 937,728	\$ 855,831	\$ 855,831	\$ 310,048	\$ 937,728	\$ 64,703	\$ 47,834	\$ 481,706	Year 6 \$	982,603
2026	\$ 1,903,422	\$ (1,557,787)	\$ 572,039	\$ 1,023,750	\$ 959,046	\$ 959,046	\$ 335,666	\$ 1,023,750	\$ 70,639	\$ -	\$ 70,529	Year 7 \$	
2027	\$ 2,085,487	\$ (1,555,449)	\$ 532,039	\$ 1,112,687	\$ 1,112,687	\$ 1,042,048	\$ 364,717	\$ 1,112,687	\$ -	\$ 90,547	\$ 510,173	Year 8 \$	
2028	\$ 2,137,624	\$ (1,549,402)	\$ 588,223	\$ 1,204,684	\$ 1,204,684	\$ 1,204,684	\$ 394,788	\$ 1,204,684	\$ -	\$ 110,532	\$ 527,511	Year 9 \$	
2029	\$ 2,191,065	\$ (1,545,554)	\$ 645,411	\$ 1,299,894	\$ 1,299,894	\$ 1,216,770	\$ 458,075	\$ 1,299,894	\$ -	\$ 128,848	\$ 535,386	Year 10 \$	
2030	\$ 2,245,942	\$ (1,542,214)	\$ 703,627	\$ 1,398,477	\$ 1,398,477	\$ 1,308,755	\$ 458,075	\$ 1,398,477	\$ -	\$ 149,910	\$ 496,910	Year 11 \$	
2031	\$ 2,301,988	\$ (1,539,089)	\$ 762,888	\$ 1,500,605	\$ 1,500,605	\$ 1,404,110	\$ 49,1439	\$ 1,500,605	\$ 103,542	\$ -	\$ 167,918	Year 12 \$	47,834
2032	\$ 2,418,327	\$ (1,552,319)	\$ 807,218	\$ 1,590,425	\$ 1,590,425	\$ 1,480,884	\$ 64,294	\$ 1,590,425	\$ -	\$ 177,070	\$ 70,529	Year 13 \$	
2033	\$ 2,478,989	\$ (1,449,328)	\$ 852,646	\$ 1,684,160	\$ 1,684,160	\$ 1,574,421	\$ 551,047	\$ 1,684,160	\$ 116,207	\$ -	\$ 188,392	Year 14 \$	90,547
2034	\$ 2,540,864	\$ 826,084	\$ 1,761,633	\$ 1,828,064	\$ 1,828,064	\$ 1,645,426	\$ 575,899	\$ 1,761,633	\$ 121,553	\$ -	\$ 332,209	Year 15 \$	110,332
2035	\$ 2,604,488	\$ (729,119)	\$ 1,875,369	\$ 1,875,369	\$ 1,875,369	\$ 1,749,233	\$ 612,231	\$ 1,875,369	\$ 126,138	\$ -	\$ 1,074,649	Year 16 \$	129,848
2036	\$ 2,669,600	\$ (745,143)	\$ 1,923,887	\$ 1,923,887	\$ 1,923,887	\$ 1,923,057	\$ 1,704,456	\$ 1,923,887	\$ 132,746	\$ -	\$ 1,133,737	Year 17 \$	149,910
2037	\$ 2,736,340	\$ (762,784)	\$ 1,973,556	\$ 1,973,556	\$ 1,973,556	\$ 1,973,057	\$ 1,840,810	\$ 1,973,556	\$ 136,175	\$ -	\$ 1,163,051	Year 18 \$	167,918
2038	\$ 2,804,748	\$ (780,250)	\$ 2,024,498	\$ 2,024,498	\$ 2,024,498	\$ 2,024,048	\$ 1,888,323	\$ 2,024,498	\$ 141,913	\$ -	\$ 1,193,097	Year 19 \$	177,070
2039	\$ 2,874,867	\$ (798,153)	\$ 2,076,714	\$ 2,076,714	\$ 2,076,714	\$ 2,076,714	\$ 67,958	\$ 2,076,714	\$ 143,690	\$ -	\$ 1,223,895	Year 20 \$	185,392
2040	\$ 2,946,739	\$ (816,504)	\$ 2,130,235	\$ 2,130,235	\$ 2,130,235	\$ 1,986,942	\$ 695,430	\$ 2,130,235	\$ 146,986	\$ -	\$ 1,255,462		
2041	\$ 2,556,701	\$ (835,313)	\$ 2,121,387	\$ 2,121,387	\$ 2,121,387	\$ 1,974,401	\$ 691,040	\$ 2,121,387	\$ 146,756	\$ -	\$ 1,287,819		
2042	\$ 2,636,911	\$ (854,393)	\$ 2,112,319	\$ 2,112,319	\$ 2,112,319	\$ 1,965,943	\$ 688,050	\$ 2,112,319	\$ 145,750	\$ -	\$ 1,283,971		
2043	\$ 2,665,600	\$ (873,174)	\$ 17,950,000	\$ 17,950,000	\$ 17,950,000	\$ 15,160,924	\$ 5,306,323	\$ 17,950,000	\$ 1,202,406	\$ (5,195,458)	\$ 12,534,600	\$ 13,028,302	6.9%
Total	\$ 64,012,329	\$ (37,136,155)	\$ 26,876,114	\$ 17,950,000	\$ 17,950,000	\$ 17,950,000	\$ 5,306,323	\$ 17,950,000	\$ 1,202,406	\$ (5,195,458)	\$ 12,534,600	\$ 13,028,302	6.9%

The key to leverage is that it dramatically enhances early year returns but has a lower effect on a ten year stream of revenues such as generated by the PTC. Thus, even though the unleveraged returns from the Investment Tax Credit (ITC) 30% up front credit on the project and the Production Tax Credit (PTC) escrowed rate of about 50.02 per MWh for ten years may be within percent of each other the leveraged rate turns out that with this project cost and capacity factor the total amount of the ITC and the PTC's over ten years are virtually identical. The time value of those returns marginalizes the value of long term debt in exchange for that huge amount of Year 1 return. That was one of the points in passing the ITC legislation in the first place that the government the same amount of cash income from the total tax revenue but could almost double the return for investors and incent them to build projects that would otherwise be put off due to economic constraints.